The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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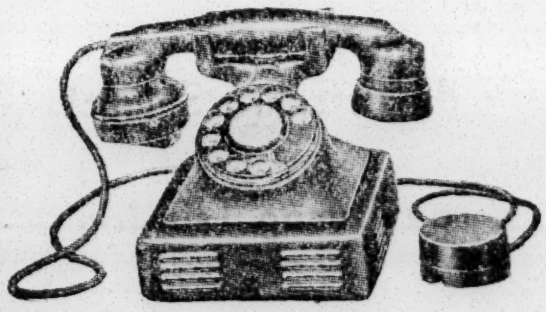

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Formerly Millard's Review

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Colorado Building, Washington, D. C.

ROY HOWARD'S ADVENTURE WITH THE SON OF HEAVEN

DURING the last week in June Roy Howard, chairman of the board of the 25 *Scripps-Howard* newspapers published in the United States, had an audience with His Imperial Majesty Hirohito, 124th Son of Heaven, Emperor of Japan. Since it hasn't been so many years ago that Mr. Howard was a cub reporter on the *Indianapolis News*. he apparently regarded it as quite an accomplishment that he should have been the first American newspaperman to interview the ruler of Japan. As a result Mr. Howard cabled from Tokyo a 988 word report of his interview which in due course appeared on the front pages of the various *Scripps-Howard* papers under banner headlines. But the long report did not contain a single word of the conversation between Howard and the Son of Heaven, due to the fact that court etiquet in Japan forbids quoting the Emperor; hence the 988 word report which was cabled at the rate of 13-cents (U. S.) a word, contained nothing about the Emperor's views on world affairs, except that Mr. Howard was "permitted to state" that the Son of Heaven considered Japanese-American friendship as important to world peace. Which prompted the New York *Nation* to print the following paragraph in its issue of the following week,

> "Careful reading of the long dispatch displayed in two-column type under a six-column head on the front page of the Scripps-Howard *World-Telegram*, "copyright in all countries" by the *United Press*, leaves us with the firm conviction that Mr. Roy Howard was received by Hirohito, Emperor of Japan, and that it was an important day in the life of His Imperial Majesty."

As a matter of fact Mr. Howard was only technically correct when he claimed to be the first American newspaperman to be received by the Japanese emperor, for Isaac Marcosson, correspondent for the *Saturday Evening Post* interviewed Hirohito several years ago, but at that time Hirohito was only Prince Regent under his father, Emperor Yoshihito who then was out of his mind and in failing health. Also, it should be stated that Howard was "scooped" by an English correspondent, G. Ward Price, who interviewed the Son of Heaven several weeks prior to the arrival of the *Scripps-Howard* executive in Japan. But we have no desire to detract from

Howard's accomplishment, for as *Time Magazine* put it, "The interview strengthened further his (Howard's) ties with Japan, whose most potent newspapers are big customers of the *United Press*, which important news association is owned by the *Scripps-Howard* newspapers.

We are wondering, however, whether this last statement is exactly true, for Mr. Howard rather spoiled things by giving out an interview upon his return to America, wherein he lauded America's present battleship-building campaign and forecasted that the development of this program "would have a fundamental effect on Japan from the standpoint of Japan's general attitude on various world problems, including her wholesale scrapping of Far Eastern treaties." Recently the Japanese newspapers have been devoting major attention to this statement by Mr. Howard, hence one wonders whether he would again be received by the Son of Heaven, should he return to Japan in the immediate future.

And while on the subject of Japanese-American relations we noticed a dispatch in the *Japan Advertiser* on July 19 which suggested that the proposed treaty of arbitration and conciliation between United States and Japan may be dropped due to certain reservations which Washington insisted upon with regard to the Monroe Doctrine for North America and the corresponding insistence by Japan that the United States recognize Japan's "Asiatic Monroe Doctrine." This subject was reviewed fully in these columns on July 8 wherein it was shown that Viscount Ishii while in Washington on his way to the London Economic Conference, had suggested to President Roosevelt that Japan and America enter into a treaty of arbitration and conciliation, Japan's motive being to induce Washington to recognize Japan's ill-gotten gains in Manchuria. Of further interest in connection with this subject was a *United Press* dispatch from Washington, dated July 27, stating President Roosevelt had approved a War Department proposal for the expenditure of U. S. $6,000,000 for the strengthening of the harbor defences and fortifications at Hawaii and the Canal Zone.

U. S. WRITER DEPORTED FROM JAPAN BECAUSE HE SAW MADAME SUN

JAMES LANGSTON HUGHES, well-known American negro author, song-writer and poet was deported from Japan on July 25, not because of any violation of Japanese law, but because he interviewed Madame Sun Yat-sen while he was in China prior to his trip to the Island empire. A further charge against Hughes was that he had traveled in Soviet Russia prior to his trip to the Far East. In an interview which appeared in the *Japan Advertiser* on July 26 Hughes declared, "I don't think I have done anything against Japanese law. My prime object in coming to Japan was to see the scenic beauties. I also intended to make a study of social conditions, particularly those of the lower classes. I also wished very much to see one of the Kabuki dramas as I have had a great admiration for the Japanese proletarian stage, which I am informed is able to produce even difficult Western plays. But my program has been partly cancelled because of police examination and now I am leaving, having seen little of the scenic beauties and having observed none of the social conditions." According to the report in the *Advertiser*, Hughes was born in Missouri, educated in Cleveland, has traveled extensively in Mexico, France and Italy, and is now a resident of New York. The chief Japanese charge against Hughes, according to the reports in the Japanese newspapers, was that he had interviewed Madame Sun Yat-sen while he was in Shanghai and had traveled to the Far East from Soviet Russia. He was prevented from communicating with the American Consul in Tokyo and was taken directly from the police headquarters to the *Taiyo Maru* which sailed for the United States on the afternoon of July 26.

The chief point to this incident is that Hughes was not deported from Japan because of the violation of any Japanese law, *but because of something he did while he was in China*. He interviewed Madame Sun Yat-sen, and since Madame Sun is classed as a "radical" the Japanese police considered this sufficient for deportation—and the American diplomatic officials in Japan were not even notified. The case is therefore somewhat similar to that of Upton Close another American writer, which was referred to in last week's issue of *The Review*. Upton Close, prior to his recent trip to the Far East had written articles in the *Saturday Evening Post* wherein he had criticised Japanese activities in Manchuria. When Mr. Close landed at Yokohama he was quizzed by the police and although forbidden to visit Manchukuo he was permitted to land in Japan. However, the Japanese newspapers and the official *Rengo* service circulated a report that Mr. Close would be kept under surveillance *while traveling in China* and in the event he said or did anything considered detrimental by the Japanese military authorities he would be punished when the ship upon which he was traveling stopped at a Japanese port on the homeward journey. Whether the Japanese will carry out this threat remains to be seen, but there is much significance in the fact that the Japanese now regard China, or even the Shanghai foreign settlements, as Japanese territory—another phase of the so-called "Asiatic Monroe Doctrine"—referred to elsewhere in this issue.

OPPORTUNITY TO BE PROMINENT WITHOUT CHARGE

ABOUT a dozen years ago *The Review* began the publication in the English language of a book called "Who's Who in China," the purpose being to provide readers with information regarding the lives and accomplishments of men and women of affairs in China. Prior to publication in permanent book form the biographical sketches with pictures appear in the weekly issues of *The Review*. The first edition of "Who's Who" published in 1918 was a small book indeed, containing only some 60 sketches, was confined largely to officials then in power in the old Peking government. But there was a demand for it and in consequence the book was enlarged to contain more sketches and republished two years later. Since that time "Who's

Who" has continued to grow until the last edition published two years ago continued more than 1,000 sketches and pictures of Chinese men and women in government service and civilian life. During the off years, that is, the interim periods between publication of the standard editions, there is published a supplement which serves to bring the standard book up to date pending republication of the standard edition. Such a supplement, containing some 200 sketches, thus bringing the last standard edition up to date, will shortly be ready for distribution. An announcement dealing with the supplement appears elsewhere in this issue.

The purpose of these paragraphs is to emphasize the fact, as we have repeatedly done in the past, that *The Review* makes no charge whatever to those whose biographical sketches appear in "Who's Who in China." There is not even an obligation on the part of those whose sketches appear to purchase copies of the book or to even subscribe for *The Review;* although many of them do along with several hundred others, thus enabling us to cover the cost of production of the volume and continue the service. We make this announcement in order that "Who's Who in China," which is registered and copyrighted, may not be confused with other somewhat similar publications purporting to contain pictures and "write-ups" of so-called prominent persons who have paid handsome prices in order to have their sketches published in a deluxe edition. We have no criticism for the promoters of such enterprises which doubtless net a good profit since the prices charged for "prominence" often run to several hundred dollars. But we do wish to make it perfectly plain that *The Review* has no connection whatever with such enterprises, our interest being confined entirely to the standard "Who's Who in China" which constitutes a faithful and honest attempt to include the biographical sketches of the best-known men and women of China, persons who have accomplished something of note whether in business, government service or the professions. In other words, we make no charge for "prominence," and all are treated on an equal basis. Persons who obtain copies of "Who's Who in China" may rest assured that none of the persons whose sketches appear therein have achieved "prominence" by paying us handsome sums to be included in the book.

Japan's Initial Attempt to Assert Her "Monroe Doctrine" Apparently Has Failed

THE sudden outburst of indignation on the part of the Tokyo War and Foreign offices on July 28 regarding the American $50,000,000 cotton and wheat loan to China and the recent threat of a Japanese diplomatic official published in the Chinese newspapers that a second Manchuria or Shanghai incident would be "inevitable" in the event China proceeded with her planned cooperation with the League of Nations, were due apparently to Japan's realization that she cannot make her so-called "Asiatic Monroe Doctrine" stand up in the face of world opposition.

However, still better evidence of Japan's failure to make the other Powers give heed to her asserted doctrine, appeared in a report published in the *Osaka Mainichi* on July 25 stating the Tokyo Foreign Office had received "discouraging" replies to her declaration on this point which was sent to London, Washington, Paris, Berlin, Rome and Geneva a week previously. The report in the Osaka newspaper stated that Count Yasuya Uchida, Minister of Foreign Affairs, during the middle of July, had instructed the Japanese ambassadors in various world capitals to call the attention of the various nations "to the possible consequences of their extending economic assistance to China." It was stated that Japan had taken this step in order to offset the activities of T. V. Soong, Chinese Finance Minister, who had visited various world capitals and conducted negotiations for a series of loans of money, armaments, etc. Since Mr. Soong's activities had placed Japan in a "difficult" position, the Tokyo Foreign Office under pressure of the military authorities, had decided to take the extraordinary step of warning the Powers against their present move to help China. The report stated that the Powers had not accepted Japan's advice in a "friendly spirit," hence Japan felt she was entitled to "take appropriate steps for the defence of her interests, in case anti-Japanese agitation is again started in China."

Of initial interest in this connection was a *Rengo* message from Tokyo on July 28 stating that the Tokyo War Office "was watching with deepest concern the expansion of American naval influence in Fukien province." The report then went on to allege that the U. S. Government had given financial assistance to the 19th Route Army (stationed in Fukien) to the extent of $60,000,000, covering the construction of airdromes at Amoy, Foochow and elsewhere, which deal also included the presentation to China of two submarines, six heavy air-bombers and fifteen batteries of anti-aircraft guns. In exchange for this the U. S. Navy allegedly had been given a naval base at Tungshan Bay to the south of Amoy. In addition to this report the bulletin issued by the Japanese military headquarters in Tientsin on July 24 and 25 declared there was serious resentment at the action of certain American interests in "monopolizing" China's airways in the Yangtsze valley and between the Yangtsze and north and south China; the activities of certain American interests in Fukien province which included the advancing of funds for the construction of a railway connecting Changchow and Lungyun in Fukien; the $50,000,000 cotton and wheat loan which was negotiated by T. V. Soong; the sale to China of more than U. S.$1,000,000 worth of pursuit and bombing planes by the Curtiss-Wright aviation interests; and finally the alleged transportation to China of large quantities of arms and munitions "which were not required for the strengthening of the American fortifications at Manila."

The Japanese military bulletin at Tientsin also listed the alleged activities of Britain, Germany, France, Italy and Soviet Russia in China, the claim being made that England had signed agreements for loan advances covering oil exploitation in Szechuen, munitions, railway construction, etc., while Germany had sent 72 military advisers to Nanking and was participating in other activities including a contemplated poison gas factory, steel and iron works, etc. As for the French, friendly allies of the Japanese, their activities had been the "least" of other countries and only included the sale of airplanes and machine-guns. Regarding Soviet activities, the Japanese military bulletin claimed they were largely confined to assistance rendered to Feng Yu-hsiang and Yen Hsi-shan and the establishment of commercial agencies at Tsingtao, Tsinan, Chefoo and Shanghai. Italy was represented as recently shipping to China some 70 warplanes, while the well-known Czecho-Slovakian Skoda works was charged with supplying all the arms and munitions used by the 19th Route army in Fukien province.

These reports put out through the Japanese military organs or through the official *Rengo* service have been illuminating because they provide for the first time an insight into Japan's interpretation of her long-cherished "Asiatic Monroe Doctrine," which means in simple terms that Japan is trying to assert her complete control of China and resents all Occidental activities in this country. But there was even more significance in the fact that while the Japanese War and Foreign Offices were issuing these reports from Tokyo and sending protests to various world capitals, the Japanese diplomatic organs in China were going still further and making direct threats to China. The Peiping *Morning Post* on July 24 published a long editorial referring to an alleged threat which Y. Suma, first secretary of the Japanese Legation at Shanghai had made regarding China's plans for cooperation with the League. This report claimed that Mr. Suma had declared that while Japan had not yet formulated her definite attitude, "it was feared that if China's cooperation with the League should take on a political character, a second Manchurian or Shanghai incident *would be inevitable*." The Chinese paper characterized Mr. Suma's language as "unprecedented and insulting and exceeding the bounds of diplomatic discretion as it constituted an open attempt to intimidate China and interefere with her relations with the Occidental powers." It also is worthy of notice that the Japanese newspapers recently have published inspired reports stating that Japanese naval craft had been ordered to prepare for activities along the south China coast in the event alleged anti-Japanese activities continued in this region.

Aside from the Japanese allegations regarding American naval activities in Fukien province, which the State Department designated as "too absurd for discussion," chief Japanese anxiety regarding the activities of Occidental nations in China has been centered on China's recently announced plan for technical cooperation with the League. It apparently was this cooperative arrangement with the League that prompted Mr. Suma of the local Japanese Legation to threaten a "second Manchurian and Shanghai incident" in the event this cooperation took on a political character. A special reason for Japan's worries regarding League activities in China apparently was due to the fact that the United States sent a representative to the meeting of the League committee in Paris on July 18 which outlined plans for future work in China. The American representative, Mr. Mariner, counsellor of the U. S. Embassy in Paris, was authorized to attend the meetings of the Committee. The Japanese, due partly to the fact they have severed relations with the League, but more largely to the fact that the Japanese war-lords now think they have reached a point where they can dictate China's foreign relations and dominate all activities in the Western Pacific, have regarded these manifestations of League interest in China as a menace to her position. Particularly have the Japanese been incensed at the League's appointment of Dr. L. Rajchman, director of the League's health department, as director of technical administrative activities in China in the matters of communications, financial, economic, educational and sanitary development. This is due to the fact that Dr. Rajchman was in China at the beginning of the Manchurian incident in September, 1931 and for a time served as the League's reporter on said incident. For more than a fortnight the Japanese newspapers have been filled with highly exaggerated reports regarding League plans in China. The *Asahi* on July 21 declared that China had taken advantage of Japan's withdrawal from the Geneva organ to redouble her efforts to reduce Japan to a position of complete isolation in international politics. In view of this situation the Tokyo Foreign Office had decided to send Dr. Sugimura, former Japanese deputy-secretary-general of the League to China with the object of trying to induce China to adopt a "more equitable attitude toward Japan."

The Japanese also claim there has recently been a stiffening of China's attitude toward Japan in respect to the boycott issue and alleged that the Central Executive Committee of the Kuomintang recently had sent out instructions to the branch party organizations to continue anti-Japanese activities despite the truce arrangement in the north. The Japanese claimed Nanking had taken this action in order to offset allegations that a secret agreement had been entered into whereby the National Government would assume a friendlier attitude toward Japan.

Only time will determine the outcome of this open Japanese attempt to dominate world affairs as they affect the Far East and China in particular. A French *Havas* agency report from Rome on July 25 quoted an editorial in the Fascist organ *Gazzetti del Peoplo* commenting on the relations of United States, Japan and Russia in the Pacific. The paper forecasted an early war in the Pacific between Japan and the United States, despite the fact the American people have never considered such an eventuality as within the realm of possibilities. The Soviet Communist Party organ *Pravda*, in recent comment on League cooperation with China, designated the movement as a project for the "enslavement of China," and declared, "While the Japanese imperialists are engaged in conquering for themselves a

place in the sun' by means of guns, the United States is intensively counteracting Japan's moves. ...The action of the U. S. Government in granting Nanking a loan of $50,000,000 was closely followed by a decision of the League to send a commission of experts to render technical aid in the reorganization and reconstruction of China.. ..Since Dr. Rajchman is an agent of America, the plan of reconstruction provides for reorganization of China's finances, railways, foreign trade and even her administrative system, thus virtually handing China over to undivided control of American financial capital....It is therefore not surprising that the scheme has encountered the strong opposition of the Japanese imperialists ....Japan's warning to China against the adoption of the scheme is therefore a virtual warning to the United States. Japan is opposed to any form of foreign control in China which assigns a leading role to the United States. Japan stands for a form of control which will guarantee her complete and unrestricted power in China."

Japanese Finally Decide to Drive Marshal Feng Out of Chahar Province

THE Imperial Japanese Army has finally decided to drive Marshal Feng Yu-hsiang out of Chahar province, the latest development in the situation being an official *Rengo* dispatch from Peiping on July 31 stating that so-called Manchukuo troops under Gen. Li Shou-shen had completed preparations for the recapture of Dolonor. The dispatch expressed confidence in the early occupation of the city, "thereby removing a menace to the security of the Jehol border.

But the Japanese have no intention of ceasing their drive with the occupation of Dolonor for another message stated that while one combined Japanese-Manchukuo army is investing Dolonor, another similar force is driving on Kuyuan which is located a short distance to the south of Dolonor on the road to Kalgan. A further Japanese message quoting the commander of the Japanese garrison in Tientsin went still further and declared that that the Kwantung army was preparing to extend the scope of the military activities to include Marshal Feng's base at Kalgan, since all this territory is regarded as lying within the area to be evacuated by the Chinese forces in accordance with the terms of the Tangku truce arrangement.

The number and composition of the forces which the Japanese are sending against the Christian General are not known. One message from the Manchukuo capital, Changchun, on July 15 stated the combined Japanese Manchukuo army would be composed of one Japanese division and some 20,000 Manchukuo troops commanded by Gen. Li Shou-shen. Another message from Mukden on July 18 which appeared in the *Osaka Mainichi* on July 21 said the drive against Feng actually started on July 18 and would proceed to Dolonor by way of Weichang and Kuochiatun. The Japanese report estimated that Feng had 60,000 men of which number some 40,000 were well equipped, the remainder being volunteers and Mongolian "bandits."

Owing to the lack of direct information from Chahar it is impossible to determine what has happened in that area in recent days, but an inspection of recent issues of Japanese newspapers leaves no doubt regarding Japanese intentions to drive the Christian General out of Chahar province and also out of Kalgan which commands the pass in the Great Wall leading from Hopei (Chihli) province to Mongolia. The only mystery in the situation is concerned with the considerable delay which elapsed between the actual dispatch of the Japanese expedition from Jehol City (Chengteh) on July 15 and the beginning of the attack on the city which apparently did not take place until the latter part of July. According to reports in the Chinese papers this may have been due to two causes, first, the hope that the Japanese could bring sufficient pressure on the Chinese authorities to compel them to drive Feng out of Kalgan, and second, the Japanese use of the Chahar situation as a smoke-screen to conceal their activities while they were consolidating their control over the so-called "neutral" zone embracing some 5,000 square miles of territory extending from the Great Wall southward to the environs of Peiping and Tientsin, including the section of the Peiping-Mukden railway from Tangku to Shanhaikwan.

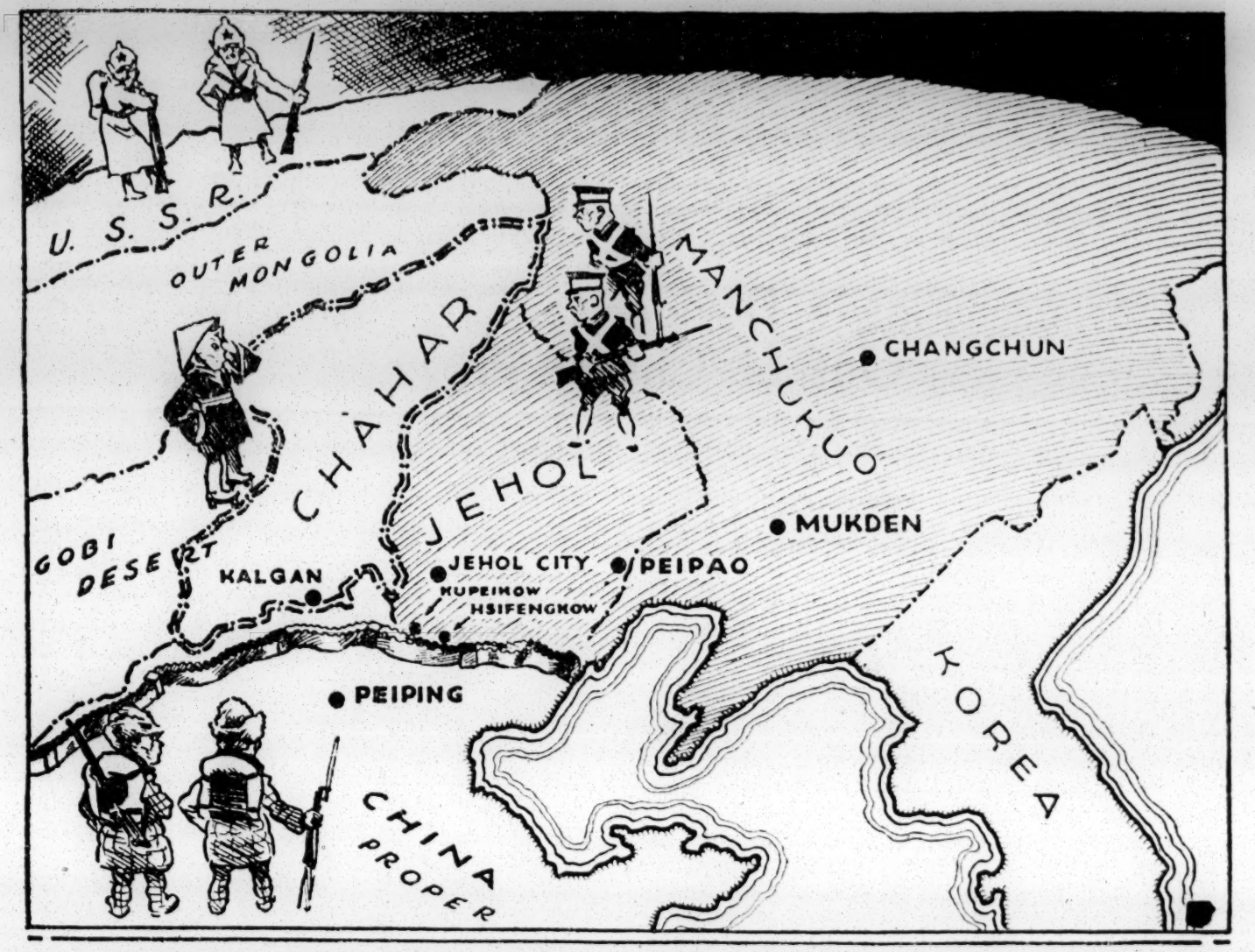
The Japanese drive on Dolonor was started from Jehol City on July 15, or three days following Marshal Feng's occupation of the city which took place on July 12 after two or three days of fighting. Reports through the Japanese news agencies from both Mukden and Changchun telling of the beginning of the Japanese drive, confirmed the original reports that there had been severe fighting before the Japanese and the Manchukuo troops evacuated the place. One of these reports in the *Japan Chronicle* (Kobe) on July 14 said there had been severe fighting and as a result the Manchukuo commander, Gen. Li Shou-shen, and several Japanese staff officers evacuated. This report concluded with the following,

> "The Japanese military authorities regard such military operations in that region as not only in contravention of the spirit of the truce agreement, but tending seriously to affect the peace of Jehol. Unless General Feng abandons his present warlike action, the Kwantung garrison will have to be moved to take definite action against Feng's troops."

Another report in the *Osaka Asahi* declared,

> "The withdrawal of the Japanese forces to the Great Wall line was the signal for the warlike activities of the forces under command of Marshal Feng Yu-hsiang, who started attacks on Dolonor on July 8 and after three days severe fighting, reduced the place and drove Gen. Li's Manchukuo troops, 4,000 strong, out of Chahar province. Because Gen. Feng's troops, under the slogan of the recovery of lost territories, began to threaten an invasion of Jehol, the Kwantung garrison hurried strong contingents to Weichang and Kuohuatun to meet the situation. It is hardly necessary to state Gen. Feng must take the entire responsibility for the consequences of the action of the joint forces of Japan and Manchukuo, which has been forced by the warlike operations of his troops."

WHERE WILL JAPANESE INVADERS GO NEXT?



The Japanese warlords, having over-run and virtually annexed China's northeastern provinces, are now speculating where to go next in their campaign of conquest. Will it be China Proper, Chahar, Kalgan, Inner or Outer Mongolia or the Soviet Republic to the north? Present indications point to Chahar as the next move.

The Japanese papers then began a general propaganda campaign against Feng, alleging his connection with the Soviets. A Tokyo War office statement on July 21 declared,

> "A few hundred communists are now collecting in Chahar and communist propaganda bills meet the eye everywhere in Kalgan. A large quantity of rifles are being brought to Kalgan from Urga by motor trucks. The inhabitants are highly dissatisfied with Feng's communist rule, and the apprehension is general that a few months time the social and economic system will be completely destroyed. The communists have organized the railway workers at Kalgan into a red union and they also have formed a Young Women's Communist Party.

The *Osaka Asahi* then continued the allegation of Feng's red inclinations and connections,

> "According to rumor, twelve Soviet officers are directing the military operations of General Feng's army, and communist rule for Chahar is aimed at. If this is the case Feng is the enemy not only of Japan and Manchukuo, but also the Nanking Government, which is bent on the suppression of communist intrigue. Japan has concluded a truce in north China, but she need not raise any objection to the campaign of the Peiping authorities against Feng Yu-hsiang. Indeed, she may as well give aid to such a campaign. In any case, it is of urgent necessity for Japan and Manchukuo to recover Dolonor and safeguard the western borders of Jehol....Feng's underlying motive is clearly to secure a political footing and establish his sway in Chahar, while adroitly averting clashes with the Japanese troops."

CHAHAR A SMOKE-SCREEN

As stated in the foregoing the Japanese army and its propagandists have used the Chahar situation as a smoke-screen for covering their activities in the so-called "neutral" zone which embraces the territory between Peiping-Tientsin and the Great Wall. But now that the Japanese have established their control in that area by tieing the hands of the Chinese forces through the Tangku and Dairen truce arrangements, the Japanese army is ready for the conquest of Jehol province. Regarding the situation now prevailing at Shanhaikwan, we have the following evidence from the July 31 *Shun Pao*.

> "The Japanese military authorities have definitely marked out Shanhaikwan as Manchukuo territory as that city has been converted into a regular military camp with at least 6,000 Japanese infantry stationed there. The boundary line is established along the Tashiho, south of the Pass, where the Manchukuo authorities have established inquiry stations to examine all passers-by....The Japanese military authorities have drawn up strict regulations for the observance of the Chinese retrocession authorities....among the rulings are that all proclamations of Chinese magistrates and directors of public-safety bureaus in the demilitarized zone must first be submitted to the Japanese heaquarters for perusal before they are published. The Japanese demand exact information regarding the number of rifles, revolvers, machine-guns, horses, etc., and the way in which the police are distributed in the area....

The Japanese declare that should their demand be ignored they will take such action as they see fit...."

The Japanese have been able to bring about this situation through a clever manipulation of the Tangku truce arrangement which compelled the Chinese withdraw their troops and at the same time forced the Chinese to incorporate into the peace maintenance corps within the zone several thousand so-called Manchukuo "irregulars" which look to the Japanese army for orders. In addition to this the Japanese have dictated the appointment of all Chinese magistrates and other officials, most of whom were brought in from Manchukuo and were Japanese educated. Furthermore, the Japanese army has, under the subterfuge of the Boxer Protocol of 1900, insisted upon its right to maintain garrisons along the railway from Shanhaikwan southward to Tangku, the number stationed at the various towns being as follows (figures from *China Times* July 26): Tangshan 500, Kuyueh 300, Kaiping 300, Luanchow 1,000, Changli 400, Peitaiho, Haiyangchen, and Chinwantao 400 each. However, it doesn't require a detailed explanation of conditions in the zone to prove the actuality of Japanese military and political control. The following excerpts from a dispatch by H. R. Ekins, correspondent for the *United Press* in Peiping, dated July 16 tells the story,

"Japanese influence in North China is so great as to constitute virtual control, a control achieved only after the threat of an actual Japanese occupation of Peiping was so grave that the invading forces were within less than 20 miles of the city's gates.

"Nominally, Hopei Province, with its rich port of Tientsin and its historic city of Peiping, is under the control of the Central Government at Nanking, which is represented here by a Military Council under General Ho Ying-ching and a Poltical Council under General Huang Fu. There are numerous lesser officials, such as General Yu Hsueh-chung, Governor of the Province and Mayor of Tientsin, and General Yuan Liang, Mayor of Peiping. All were educated in Japan, and before they were granted their appointments it was determined that they were persona grata to the Japanese.

"The real sources of influence and control here are a variety of Japanese officials, beginning with Field Marshal Nobuhito Muto, Japan's Ambassador to Manchukuo, and extending down through the Japanese Consul-General in Tientsin, the officials at the Japanese Legation in Peiping, Colonel Kaneshiro Shibayama, Japan's assistant military attache in China, and General Kotaro Nakamura, commandant of the Japanese troops in North China.

"This super-regime or shadow-government imposed on North China by the Japanese, either through diplomatic pressure or threat of renewed military action, has succeeded in achieving a varied list of objectives so well that this area has become definitely a sphere of Japanese influence.

"The Japanese succeeded in sending into what amounts to exile in Europe Marshal Chang Hsueh-liang, overlord of Manchuria until the beginning of the Japanese military adventure which resulted in the creation of Manchukuo. They have practically broken the anti-Japanese economic boycott in North China, and through their representations anti-Japanese organizations, such as the Blood and Iron Society, have been put out of business.

"Since the Tangku truce, signed just in time to prevent an actual Japanese military occupation of Peiping and Tientsin and perhaps vast regions to the south of both cities, the Japanese either have operated the Peiping-Chinwangtao Railway or they have stipulated the terms under which portions of the line could be operated by the Chinese. So obvious was the Japanese touch in this respect that before the Chinese could operate trains from Tientsin into the former war areas they had to send their delegates to Dairen to confer with the Japanese military.

"Even more obvious was the case of "General" Hou Peng. A Chinese, "General" Hou, while the Japanese troops occupied the Luantung triangle, joined with Generals Li Chi-chun and Shih Yu-san in raising the old five bar flag and proclaiming the independence of the area southward from the Great Wall to the Luan River. By proclamation and by the use of the independent army he and his colleagues had mobilized, he openly and avowedly defied the Chinese Government, which for five years has been recognized by Japan and all the Powers. One fine day, his own followers double-crossed him and surrendered him to General Yu Hsueh-chung, Governor of Hopei.

"At once the Nanking Government ordered the execution of "General" Hou as a traitor. But today he is alive and well, residing in the Japanese Concession at Tientsin. Protests in Tientsin by the Japanese Consul-General and in Peiping by the Japanese Legation officials made it impossible for the duly constituted Chinese authorities so much as to inquire into "General" Hou's activities during the last six months of strife.

"General Li Chi-chun, the recognized leader of the movement to create an independent buffer State between Manchukuo and China proper, has been equally protected by the Japanese. They have seen to it that the Chinese take him back into the fold and assign him and his troops to garrison areas where his sympathetic attitude can be of most value to the Japanese cause.

"The magistrates and village "head men" in the districts swept by the unofficial war south of the Great Wall during the past few months are appointees of the Japanese. They report only to the Japanese military, and they raise no objection to the alluring Manchukuo propaganda pasted on village walls and on buildings lining city streets.

"Japanese airplanes fly at will over the vast North China area, but American, French, British, Italian and other armed forces on duty in North China dare not so much as maintain even one airplane on the ground, let alone send it aloft.

"Questioned as to the prospects of extending their control in North China, Japanese officials here smile enigmatically and express pleasure over their conviction that the Sino-Japanese fighting is definitely at an end. They justify their activity in administrative affairs in North China by declaring that it is necessary to assure the security of Manchukuo. Chinese, both officials and laymen, admit that they care not at all for the existing situation, but they point out that they are powerless to oppose it. Also, they recognize the altenative, barring war, is autual permanent Japanese military occupation of this area or the establishment of a buffer State giving not even lip service to Nanking."

THE FENG-NANKING CRISIS

As a result of the political and military conference held at Kuling, beginning July 8, the National Government apparently has decided not to use force in settling the complications between Marshall Feng over the pacification of Jehol, despite the fact a considerable number of troops were moved from Peiping to the vicinity of Suanhua, a short distance south of Feng's base at Kalgan. On July 20, General Chiang Kai-shek and Premier Wang Ching-wei issued a circular telegram disavowing any intention of using force to settle the issue, declaring, "We are convinced that internal peace and international security are essential for the upbuilding of our country and we shall do our best to realize these ends. We not only refuse to talk about resorting to force to settle internal questions but are pained at hearing such talk." With special reference to the Chahar situation, the telegram outlined the following conditions for a settlement,

1.—Marshal Feng Yu-hsiang must not create military posts and titles leading to the separation of Chahar from China.

2.—He must not interfere with the Government's plans for the defense of the border province.

3.—He must not recklessly incorporate bandits and irregulars in order to swell the number of his own followers, thereby jeopardizing peace and order in Chahar.

4.—He must not make use of Communist leaders, thus fostering the Red menace in North China.

Upon receipt of this telegram, Marshal Feng was reported to have called a conference of his subordinate commanders but there has been no direct report of the decision arrived at. A *Reuter* report from Peiping on July 30 quoted Chinese newspaper reports from Kalgan to the effect that Marshal Feng and his chief subordinate Gen. Fang Chen-wu were determined not to swerve from their original position, that Chahar should be defended against Japanese aggression.

Of interest in connection with the disturbed situation now prevailing in north China was a rebellion of some 2,000 troops under Gen. Chen Kuei-ling which had been stationed at the town of Machang on the Tientsin-Pukow railway a short distance south of Tientsin. Gen. Chen was formerly a volunteer leader in Manchuria but withdrew following the signing of the Tangku truce and since has been stationed on the railway south of Tientsin. On July 26 these troops rebelled and according to latest reports they are moving toward the Hopei-Chahar border with the apparent intention of joining Marshal Feng's army. It was also reported that Gen. Shih Yu-shan, a former Feng subordinate, with some 1,000 troops stationed with the neutral zone at Chinwantao, had refused to have his troops disbanded and likewise was moving to join Feng. There also was a report from Tientsin alleging that many of the so-called Manchukuo "irregulars" which had been paid off by the Nanking authorities, had escaped from the concentration camp at Tientsin and had fled into the zone with the apparent object of resuming their profession of banditry.

CANTON STILL PRO-FENG

The Canton authorities, according to reports in the local newspapers, are determined to give Marshal Feng Yu-hsiang unlimited support and at the same time continue to warn Nanking against the use of force in settling the Chahar complications. A report in the Canton *Minkuo-Jihpao* on July 28 declared the southern authorities "would not hesitate to take drastic action in case the Kuling conference decided upon taking forceful measures against either Feng or Canton. However, the report concluded by saying Canton would take no action for the present. Another report in the same paper said that each member of the Canton political council had decided to contribute $1,000 to Feng while lower officials would contribute one month's salary to the same cause. The Hongkong *Chao Janpao* on July 26 published a message from Canton stating that members of the Canton Political Council, after a conference with Hu Hanming in Hongkong, had decided to take more definite measures in support of Feng and in the event Nanking ignored Canton's stand and resorted to forceful measures, Canton would start a punitive expedition against Nanking "for violating the rules of the Party."

KULING CONFERENCE CONSIDERS DOMESTIC FOREIGN ISSUES

(From The Review's Correspondent)

Kuling has been the scene of continuous conferences, political and military, ever since the 8th of July, when Generalissimo Chiang Kai-shek arrived from Nanchang. His official residence, No. 13, has been the headquarters for many private conferences and conversations. Nationwide has been the scope of the many sessions and nationwide have been the problems that came up for discussion and solution. There has been a steady stream of officials in sedan chairs passing the Gap at Kuling, going to conference or returning to the plains after having accomplished their errand on Lushan.

Among the most prominent conference delegates were Gen. Chiang Kai-shek, Wang Ching-wei, Gen. Chu Pei-teh, Gen. Huang Shao-hsiung, who has been acting as mediator seeking a modus vivendi with the South West Political Council, and Gen. Huang Mo-sung, pacification commissioner of Sinkiang. Besides these a host of others were present at the meetings of the conference held in Medical Hall, Kuling, July 19-27.

Four major questions were on the agenda of the conferences, although many others were discussed.

(1) Chahar and Marshal Feng Yu-hsiang. The attitude of the Nanking regime to Marshal Feng was definitely determined. Later Mr. Hsieh Chi-ju has been dispatched to Kalgan with a personal autographed letter from Wang Ching-wei. Attempts at a peaceful solution of this problem are being made.

(2) South West Political Council. This organization is a thorn in the side of the Central government. Nothing has been mentioned in press reports, but it may be taken for granted that this important question has been exercising the best minds during these days.

(3) Szechuan and the two Lius. The moral support of the Nanking regime has always been with Gen. Liu Hsiang. There seems to have been unanimity in backing him in future. The Red situation in Szechuan dove-tails into this problem, and it received due consideration.

(4) Sinkiang and the Moslems. How the Moslems are to be brought into closer connection with the government of Nanking and how they may be made to feel at home in the Chinese family, is a perrennial problem. Fresh attempts at solving this question were made.

Besides this the reorganization of the Chinese army and the up-building of the Chinese air force were thoroughly discussed and new plans drawn up.

Daily conferences between Gen. Chiang Kai-shek and Wang Ching-wei, at the latter's new residence in Hykes' Valley, are proceeding. Kuling bids fair to being the summer capitol of China.

Yellow River Rises Rapidly

An urgent despatch from Lanchow, provincial capital of Kansu, Aug. 2 reported that the Yellow River at that point had suddenly risen to dangerous heights. The water outside the North Gate of the city had almost reached the level of the iron bridge spanning the River.

The River at Shenchow, northwestern Honan, was reported to have risen 3 feet Aug. 1. A breach occurred on the dykes there but as a result of the strenuous efforts of the Provincial River Affairs Bureau the gap was filled before any harm could be done.

General Han Fu-chu, the Shantung Chairman, August 1, ordered the Magistrates of the 22 districts on the Yellow River to take precautionary measures to strengthen the dykes. The situation is regarded as very dangerous as the water will overflow its banks should it register another rise.

Five thousand farmers were drowned and many more rendered homeles at San Yuan, in Shensi end of July as a result of the disastrous flood which submerged that district owing to the sudden rise of the Yellow River. It is said that the water level rose from three feet to 20 feet in height at San Yuan, destroying all the harvest in the district.

Severe Typhoon on China Coast

A severe typhoon in South China waters played havoc at Hainan island, off the coast of Kwangtung during the week. According to a telegram from General Chen Han-kwan, Commander of the Garrison Forces there, the island was in the grip of the hurricane for two days during the week-end. About a hundred civilian houses in Kiungchow, the capital, and on the country-side were demolished while several military barracks were also blown down by the wind.

The Loochoo islands were struck by a heavy typhoon August 1 with the result that shipping traffic between Japan and Formosa was interrupted.

At the time of going to press, the typhoon was threatening Shanghai.

Prominent Japanese Banker Discusses His Country's Dismal Economic Outlook

Tetsujiro Shidachi, author of this article which appeared in the June 28 "Christian Century" is a well-known banker and economist connected with the Sumitomo Bank of Tokyo. He was Japan's chief delegate to the World Economic Conference at Geneva in 1927. That Mr. Shidachi is seriously concerned with the present drift of affairs in Japan is indicated in the accompanying article, which could not be printed in Japan and was sent to the American magazine in the hope that it would ultimately influence public opinion in Japan.

WHERE is Japan going, socially, economically and internationally? This is the question that every thoughtful Japanese puts to himself as he scans the daily papers, filled with disquieting accounts of communist plots, acts of violence committed by reactionary terrorists, financial chaos, unspeakable suffering in both city and country, and international misunderstandings, leading from one strained situation to another. It is the question that stalks like an unwelcome specter into every gathering of men who have the true interest of their country at heart and who look in vain for writing on the wall which does not spell disaster.

Toward the end of January of this year, all the newspapers of the country carried sensational accounts of wholesale arrests of communists, made during the previous month. The long list of names published at the time included men and women from many walks of life, ranging in age from children of seventeen and eighteen to primary school teachers, mature university professors, and even including judges. It is also noteworthy that the sons and daughters of families prominent in social and educational circles were discovered to have been taking a conspicuous part in the movement. This is only one of a long series of similar "round ups" extending over more than ten years. Each time, the police have confidently assured us that communism was at an end, and each time fresh symptoms have appeared and the process has been repeated. Even now, after the latest arrests, signs are not wanting to indicate that radical activities are by no means stamped out. Nor can the government hope to make any real headway against communism by the mere coercion of a few of its leaders unless at the same time the reasons for the spread of the doctrine are fathomed. We might just as well start a campaign against an epidemic of typhoid fever by isolating a few patients and entirely neglect the insanitary conditions which cause the disease. The appearance of a small communist party is not a cause of social unrest. It is a symptom, and until the deep-seated trouble is cured, the symptom will remain.

Reactionary Violence

Another manifestation of the same instability can be found in acts of violence committed by members of certain reactionary groups, resulting, during the past three years, in the death of two premiers, assassinated while in office, one ex-minister of finance, and a prominent business man, the latest and most shocking of these outrages, the assassination of Premier Inukai, having been perpetrated with the assistance of young army and navy officers in active service.

Though the methods and aims of these two groups of extremists may be different, their motives are the same, discontent with existing conditions and an overmastering desire to bring about a change of some kind. The communists hope to bring about this change by overthrowing capitalism and all that it represents and establishing a proletarian regime, while reactionaries, with less definitely defined plans, are bent upon the destruction of parliamentary government and its abuses which they unreservedly attribute to the machinations of capitalists. Thus in the eyes of both right and left wing agitators, capitalists as individuals, and capitalism as a system, can be held directly responsible for a very large share of the ills that present-day Japan is heir to, and the members of both right and left wing groups are determined that, come what may, society in its present form must go.

Economic Disaster Coming

Though the tendencies of young people of both radical and reactionary persuasions are to be deplored, a glance at the economic and financial muddle in which Japan is involving herself will show that their desire for a change of some kind is worthy of serious consideration. For it is clear that if Japan continues to pursue her present course of hand-to-mouth finance in utter disregard of the pressing problems that are clamoring for immediate solution, the country cannot escape economic disaster with all the consequences that must inevitably follow.

If we were to judge from the sanguine utterances of Finance Minister Takahashi in both houses of the diet, we might conclude that Japan's days of economic depression are rapidly coming to an end, and that it is only a matter of time until the rest of the world will be envying us our prosperity. For example, Mr. Takahashi points out that, during the past year, our exports have increased by 23.6 per cent and our imports are 15.5 per cent higher than last year. This would be a cause for real rejoicing if we did not know that the increase in exports is due to the drop in the exchange value of the yen, enabling our exporters to undersell the domestic manufacturers in other countries, which, it is to be feared, will be a short-lived source of prosperity. The rise in imports is founded upon even more shifting sands, for it is due simply to the fact that importers of certain raw materials, fearing a further depreciation in the yen, bought stocks of goods from abroad against a rainy day, which means that their purchases during the coming year will be less than usual.

As a matter of fact, however, if we calculate on the basis of the average exchange on New York for 1931 and 1932, our foreign trade for 1932 has not increased at all, but shows a decrease of 33 per cent over that of 1931. Since 1914 the actual increase in the foreign trade of Japan amounts to only one hundred and twenty-five million dollars, not a very great showing in twenty years. Even this slight increase, however, is more than offset by the doubling and quadrupling of the foreign debt, as a result of the drop in the exchange, a consideration sufficient to dampen the enthusiasm of even the most optimistic of finance ministers.

On the Way to Financial Chaos

No matter which way we look, we can see nothing but clouds on the economic horizon. The national budget, with its deficit of more than half a billion dollars, to be met by issuing public bonds, the same process to be repeated next year, and the next, adinfinitum, offers a prospect concerning which there can be only one opinion, especially when the bond issues have to be carried by the Bank of Japan, a proceeding which can lead only to inflation and ultimate financial chaos. We cannot help being astonished therefore when we read further in Mr. Takahashi's speech to the diet his prediction that by 1935 we shall be able for the first time to balance our budget, because during the years 1933 and 1934 the country will regain its economic and financial stability. By what miracle this recovery is to be accomplished, Mr. Takahashi does not enlighten us. But his statement was so confidently made that it is likely to mislead the uninformed and plunge the country into

still greater difficulties resulting from an over-optimistic view of the situation.

If we regard the national expenditure in 1914 as 100, the index number for 1931 was 231. That for 1932 leaped to 310, while that for 1933 reached 356. Of course the Manchurian expedition is responsible for the major part of this increase, but army and navy reforms, social relief appropriations and the depreciated rate of exchange have had their share in swelling the budget. The cost of national defense in 1933 reached 369 per cent of the entire budget, while that in 1932 was 34.6. This is a very serious matter, especially when it is remembered that the fixed income covers only 55 per cent of the total revenue, necessitating the issuing of public bonds to the amount of over half a billion dollars, and that the deficit of 1934 promises to be equal to, if not greater than, that of this year, bringing the national debt up to the staggering figure of four billion dollars by the end of next year. It is difficult to comprehend how anyone can be optimistic over such a state of affairs, but the government proposed this budget and the diet has accepted it as a matter of course, without attempting to reduce it and apparently with no thought about the increasing burden of similar budgets in years to come.

Local Taxes Back-Breaking

The finances of prefectural and municipal governments present problems even more serious than those of the central government. What is to be done? Taxes cannot be increased. The people are already burdened to the limit. The rural population is weighed down by debts and discouraged by low prices, the farmers of Japan, both tenant and independent, are leading lives of toil and privation beyond the conception even of their brothers in the United States, who are so bitterly complaining of their lot. Shopkeepers and other small business men throughout the country are also facing serious difficulties. Low prices, debts and keen competition have reduced them to a hand-to-mouth existence which admits of no further taxation. Thus taxation has reached the breaking point, and that at a moment when the income from this source of revenue is only sufficient to cover the interest on the public bonds and the pensions of government officials.

There seems to be no way out of this impasse. It looks as if the vicious circle of budget deficit, borrowing, and bonds, with ever-increasing debts and ever-mounting interest, might continue until we become so involved that there will be nothing left but ruin. It is a depression into which the entire country seems to have sunk with a kind of dull hopelessness. Unemployment is becoming a matter of course, and the problem of an ever-increasing population is always with us. It is, indeed, a gloomy picture, and it is little wonder that the prospect of economic expansion in Manchuria should cause many to turn to it with interest, if not enthusiasm.

Will Manchuria Help?

The military and political aspects of the Manchurian situation have no place in this study. We are concerned only with the hopes of economic betterment which are being held out by those who believe that in Japan's close connection with Manchukuo can be found a cure for our economic ills. What are these hopes, and upon what are they based?

1. It is contended that the military operations necessary to establish order in Manchukuo and secure its independence will stimulate industry in Japan and provide work for many who are now unemployed, thus bringing about ultimate prosperity.

2. An independent Manchukuo requiring advisers and large numbers of technical experts will offer excellent opportunities for educated young Japanese, who are finding it difficult to make use of their talents in their own country.

3. The virgin territory of Manchukuo can be cultivated by colonies of Japanese farmers, and their needs supplied by shopkeepers, doctors, lawyers, teachers, etc., thus providing an outlet for large numbers of our surplus population, and that in a country not so far away from Japan as to exclude occasional visits to the beloved mother-country. It is a prospect to be considered seriously.

4. Manchukuo, with its rich natural resources and agricultural possibilities, together with its millions of inhabitants, offers to Japan a source of raw materials hitherto undreamed of, as well as a market for her manufactured products.

Can it be wondered at that the discouraged people of Japan are turning with renewed hope to Manchukuo, concerning which such alluring prospects are being held out? Their minds are being stimulated through the press and other agencies until they have come to believe that Manchukuo is, in reality, the "life line" of the Japanese empire from an economic as well as from a military and political standpoint. Would it were true, but it is greatly to be feared that the facts will not support these sanguine expectations.

The Brutal Facts

1. It is true that certain industries have been stimulated by our military requirements, thus giving employment to certain classes of workers. Such employment, however, is negative and temporary and can in no way be regarded as a source of lasting prosperity. Military operations can be undertaken only in case of extreme necessity and must be discontinued as soon as the necessity has been removed. Such operations cannot, therefore, under any circumstances, be looked upon as a source of prosperity, no matter what temporary stimulus they may happen to give to industry.

2. Though Japanese advisers and technical experts will, for a time, be required by the new government of Manchukuo, their number will be limited, decreasing as the Manchukuo officials become more experienced, and the knowledge of young Chinese technicians increases. This is inevitable, for no self-respecting, independent country cares to employ large numbers of foreign advisers and experts any longer than is absolutely necessary. We cannot, therefore, hope to find permanent employment for large numbers of our educated young men in political or technical positions.

3. Turning to emigration, it must be remembered that the population of Manchukuo already numbers more than thirty million Chinese and that, as the country becomes more settled and peaceful, other Chinese will flock in from all parts of north and even of south China, seeking peace and security and an opportunity to work and earn a living unmolested by soldiers and bandits. What possible hope could Japanese farmers and merchants have of succeeding in competition with these millions of Chinese, whose standard of living is far below that of even the poorest Japanese working man? This alone would be sufficient to discourage large numbers of farmers and others from settling in Manchukuo, not to mention the natural distaste which the Japanese have for the severe climate and monotonous landscape of Manchuria. For these reasons, it is feared that we shall have to seek elsewhere for a solution of our population problem.

4. As source of supply for raw materials and as a market for Japanese manufactured goods, Manchukuo may prove to be all that is predicted for it, but it must be remembered that there are other factors to be considered besides Japan and Manchukuo. There are complications which are bound to arise, and we must be extremely cautious about centering our attention too closely upon this scarcely born infant Manchukuo. It is, for example, not at all certain that our present Manchurian policy will be an economic benefit to us. In fact, there is every indication that it will be no inconsiderable loss in more ways than one. In the first place, it has been and bids fair to continue to be a source of heavy expense to our already overburdened people. It is acknowledged even by the most enthusiastic military leaders that order cannot be maintained for a long time to come without a large armed force to assist the Manchukuo army. Where is the money for this armed force to come from? Are we to continue, year after year, to raise ruinous loans to meet the expenses of this costly military enterprise? Again, are the advantages accruing from the exclusive cooperation between Manchukuo and Japan sufficient to compensate Japan for the loss of virtually her entire trade with south China, not to speak of the good will of the Chinese people? It is not our intention to minimize the significance of Manchukuo-Japanese cooperation, but we must be most careful not to permit our absorption in this one particular problem to turn our attention from other considerations which are of far greater importance. We must not allow ourselves to forget that there are certain economic reforms needed at home, and that our lost international prestige must be regained. Without achieving these things Manchukuo can be of little value to the Japanese people, who will be left to the mercy of well meaning but misguided patriots, attempting to ac-

complish by violence what they conceive to be for the best interests of the country.

Japan's Only Hope

First, public finance, both central and local, must be brought within bounds by drastic reductions in expenditures. There must also be an agreement between Japan and China which will obviate the necessity of the present enormous outlay for national defense. It is absolutely necessary for Japan to reach a friendly understanding with China and to assist her in every possible way to establish a stable and dependable government and to organize and utilize her vast resources. Without such friendship even the closest cooperation with Manchukuo will be founded upon the shifting sands of misunderstanding and undying prejudice.

With the reestablishment of cordial reletions with China will come an expansion of trade, resulting in a truly productive stimulation of industry and a real basis for national prosperity.

We must then foster nationalism, a true nationalism, based upon international cooperation and the self-respect of a nation doing its share toward promoting the peace and progress of the world. The time for narrow-minded exclusiveness has passed, never to return, and we who wish to see our beloved country truly great must hesitate at no form of sacrifice, that she may take her place as a true world power, with her strength founded upon the rock of international understanding and broad, clear-minded patriotism.

Chiang and Wang Appeal for Solidarity Against Communism

Internal and diplomatic issues were dealt with in a joint telegram issued by General Chiang Kai-shek and Wang Ching-wei, chairman of the Executive Yuan, at Kuling July 28 appealing for national solidarity, disclaiming any intention to resort to force for a solution of political issues and finally outlining four essential conditions for a settlement of the Charhar problem.

The telegram began by emphasizing the necessity of enhancing the productive power of the Chinese people in order to avert a breakdown of rural economy and bring industry to a more advanced stage. Referring to the rampancy of banditry and communism, it declared that these twin evils have not only deprived the people of a peaceful living, but have also affected all the plans of the National Government, including national defence. The Government is therefore making every effort to terminate the bandit menace within the shortest possible period and, meanwhile, is devoting serious attention to improvement of the administrative system and the enforcement of military discipline with a view to safeguarding the lives and property of the people.

The proceeds of the U.S. $50,000,000 American wheat and cotton loan, the telegram continued, will be employed for constructive purposes and on no occasion diverted for military expenses.

Referring to foreign relations, the telegram stated the Government would adhere strictly to its oft-repeated declarations that it will not sign any agreement ceding territories or recognizing the fruits of aggression. If called upon to depart from this stand, the Government will be prepared to make whatever sacrifice is necessary. Continuing, the telegram said that China desires international sympathy and technical co-operation, but does not believe in entangling alliances tending to disturb peace.

An unconfirmed report from Chinese sources states that General Chiang Kai-shek recently wired to General Chen Min-shu in Hongkong, asking him to assume command of the Eastern route bandit suppression forces. General Chen was formerly Minister of Communications at Nanking and was one time chairman of the Kwangtung Provincial government.

Kwangtung Forces Defeat "Reds"

The recent attempt of the Communists to make a surprise attack on Chinwu, in Southern Kiangsi, was a failure. The Communists were badly beaten by the Kwangtung forces and the remnants of the Reds fled to Huichang.

An attempt on the part of Communists to launch a surprise attack on Yanghsinchen, in Southern Hupeh, was frustrated by the timely discovery of the plot by the garrison troops there July 26.

In an enveloping movement, the 19th route army is closing in on Changting, a Red center in western Fukien. Important places near Changting have fallen into the hands of the government forces, and after a terrific struggle the so-called tenth Communist division was routed latter part of last week.

South Kiangsi and West Fukien communists are being enveloped by government forces from Canton and by the 19th Route Army, according to despatches received in Canton during the week. General Tsai Ting-kai is personally directing operations. In storming Changting, the red stronghold, a West Fukien air force was sent to distribute leaflets urging the communists to turn over a new leaf.

The Communists' attempt latter part of last week to force their way to Swatow, by way of Meihsien and Chaochow, by penetrating the line of defence of the Kwangtung troops in Southern Kiangsi, resulted in failure.

General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, reports that satisfactory progress is being made in the bandit-suppression campaign in Hupeh province.

In eastern Hupeh, the units under General Sun Lien-chung and Hao Meng-lin have been repeatedly successful, occupying one strategic point after another. According to a telegram from General Liu Chen-hua, Bandit-suppression Commissioner for the Hupeh-Honan-Anhwei border, his troops have defeated the 25th "Red" Division in eastern Hupeh and driven the bandits to flight over the Liyu Shan in a north-easterly direction.

A recent Kaifeng message stated that measures are now being worked out for the relief of the war-refugees in the districts on the Honan-Hupeh-Anhuei border which were devastated by the recent Communist operations in that region. At the suggestion of General Chiang Kai-shek, from four to five million dollars will be raised to meet urgent relief expenses and for the reconstruction of villages in the affected region.

Further successes on the eastern Hupeh front were reported beginning of the week in a telegram from Lieut.-General Hao Meng-lin, who states that his 54th Division has occupied many mountain retreats of the outlaws during the last two days.

The economic blockade imposed on the bandit-infested areas in Kiangsi province has proved successful. According to confessions of refugees who recently escaped from the affected areas, food supplies in the camps of the Reds are running low. In order that the blockade may be more effective, instructions have been issued by General Chiang Kai-shek, and the military units stationed in these provinces to afford adequate protection to farming areas.

General Chen Chi-tang, commander-in-chief of the anti-Communist south route expedition, has issued a long manifesto to the people in Kiangsi to the effect that while his troops will endeavor to raid all Communist dens, he hopes the people in Kiangsi will report to the military authorities the movements of the Communists, their strength, and the quality of armaments they carry. As the people are better acquainted with the movement and strength of the Reds, they are in a position to inform the government forces accordingly. Another point in connection with which General Chen wishes cooperation is that in case Cantonese soldiers are bullying the people or create disorders and rowdyism, he hopes the people will report this unlawful conduct to the superior officers of the offenders.

The China Famine Relief Association in Shanghai is in receipt of a report from its Honan agent, giving details of the bandit menace in Western Honan, which states that, as a result of the military operations against the Communities and bandits, the population in Western Honan has been reduced by forty per cent and millions have been reduced to poverty.

Communists Active in Szechuen

Since the recapture of Tungkiang, Nankiang and Pachung, the three cities in Northern Szechuen which changed hands several times between the Communists and the Szechuen provincial forces under General Tien Sung-yao, the Communists have been perpetrating all kinds of atrocities on the local population as a revenge against the Government forces. It is said that during the two months following the capture of the city by the Communists no less than 200,000 persons were killed. At the Changchih village (according to Chungking correspondence to the *Central Daily News*) alone six hundred

persons were buried alive while at Tahokou Village seven hundred people shared the same fate.

Now that General Liu Wen-huei's troops have been defeated by the Allied forces, attention is being diverted to the question of suppressing the Communists in Northern Szechuen. Under orders of General Liu Hsiang, 30,000 infantry are being distributed at Liangshan and Tachu to check the advance of the Communists. The troops are commanded by General Wang Lin-chi, who has had considerable experience in bandit suppression work in Western Hupeh.

After remaining inactive for several weeks, during which all the Communist military units have been thoroughly reorganized, the Communists made a rapid advance on Yinshan and Kwangan last week with the obvious intention of making a drive into Eastern Szechuen. At the same time a strong Communist detachment moved towards Paoning, where Genaral Tien Sung-pao's troops are stationed, with the intention of preventing General Tien's troops from moving to the rescue of Yinshan and Kwangan, which are the new objectives of the Communists.

General Liu Seeks Better Administration in Szechuen

General Liu Hsiang, Commander of the Allied forces, ordered July 26 a general offensive against General Liu Wen-huei's forces, which are holding the right bank of the Min River.

Measures for the better administration of Szechuen and the procedure for bandit-suppression in northern Szechuen were set forth by General Liu Hsiang, Rehabilitation Commissioner for Szechuen and concurrently Commander-in-Chief of the Szechuen Bandit-suppression forces, in a recent telegram to Wang Ching-wei and General Chiang Kai-shek. According to General Liu, the various armies should establish close contact with one another and should share equal responsibility in suppressing the "Reds" in the province. The provincial affairs of Szechuen should be unified after the liquidation of the outlaws so that reconstructive measures may be introduced and instituted.

The remnants of General Liu Wen-huei, totalling thirty regiments, withdrew during last week in the direction of Ninghua with the obvious intention of retreating into Sikang, which province General Liu intends to hold as his base for future activities. Meanwhile fighting is still going on along the Min River at Kating and Pengshan. At these places General Liu Hsiang put his air force and gun-boats into action, inflicting heavy casualties on the civil population.

Chengtu is now crowded with war refugees from the Min River districts. It is generally believed there that if General Liu Wen-huei would abandon any further attempt to counter-attack, the civil war in Szechuen would be over in a few days.

Following the example of the Central Authorities in liquidating the "Red" menace by using military force and political measures simultaneously, the Szechuen authorities have created an Enlarged "Red" Purgation Committee which will concentrate on political means for the rehabilitation of areas recovered from the bandits.

Gen. Ku Chu-tang to Go to Sinkiang

Advices from Nanking indicate that the Central authorities are considering a propasal for the establishment of a political and a military affairs commission for the North-West in order to facilitate supervision of the administration in the various Forth-Western provinces. The *Shun Pao* says that as a result of the repeated exchance of views between General Chiang Kai-shek and the Goverment leaders, a decision is reported to have been reached to the effect that General Ku Chu-tang, Chairman of Kiangsu, shall be sent to Sinkiang with his troops. General Ku will be given a post higher than that of provincial chairman so that he can exercise control over the local authorities.

The Sinkiang question was dealt with by Dr. Chu Min-i, Chief Secretary of the Executive Yuan, in the course of an address at the weekly memorial service at Central Party Headquarters in Nanking July 3. Dr. Chu recalled that as a result of a tour of Sinkiang made two years ago, he had submitted to the Central Authorities a plan for the development of the North-West, which provided a fundamental solution for the Sinkiang question. His proposal did not however arouse much attention and it was not until the recent outbreak of trouble in Sinkiang that the nation began to realize the importance of the question.

Reviewing the history of the province, Dr. Chu pointed out that Sinkiang was raised to the status of a province after the suppression of the Mohammedan uprising by the late General Tso Chung-tang in the last century of the Tsing Dynasty (about 1877). Since then, annual subsidies had been granted by the Government to meet administrative and military expenses of the province. Continuing, Dr. Chu pointed out that the seeds of the present complications had been sowed many years ago by the maladministration of the successive governors of the province, namely, Yang Tseng-hsin and Chin Shu-jen. The popular discontent which had prevailed since then was one of the chief causes of the recent trouble, according to Dr. Chu.

According to latest reports, however, Dr. Chu went on, the situation had eased considerably; all leaders of the province having telegraphed to the Government pledging their loyalty and obedience. Dr. Chu emphasized that the most important means of solving the Sinkiang question lay in the development of the North-West and the improvement of means of communications.

Anti-War League Delegates on Their Way to Shanghai

The Shanghai convention called by the World Anti-Imperialistic and Anti-War League is meeting with considerable difficulties. Reports in the Chinese press at various times recently stated that the International Settlement authorities, the French Concession authorities and the Chinese authorities had all forbidden the meeting, but the present indications are that the convention will be called in September as originally arranged for. The Chinese Y.M.C.A., Boulevard de Montigny, has been mentioned as a possible meeting place.

The congress will be held under the auspices of the World Committee Against Imperialist War, established in Amsterdan by 2,000 delegates of 30,000 workers in 30 lands in August, 1932. The delegation sent here to unify the campaign against war in the Far East is composed of Lord Marley, Great Britain, M. Vaillant-Couturier, France, M. Jean Marteau, Belgium, M. Lajewsky, Poland, and a number of other delegates from other countries.

M. and Mme. Barbusse, left wing French writers, are expected to arrive as French delegates to the convention. Theodore Dreiser, American author, and delegates of other nationalites also are on their way to Shanghai. Dr. Tsai Yuan-pei, president of the Central Research Institute and popularly identified with the Civil Rights League is among these connected with the movement.

Various public organizations in Shanghai held a meeting July 31 and decided that M. Barbusse should be invited to give a series of lectures on world anti-Imperialist movements and that every facility should be extended to the Commission in its investigation work in the Far East.

Madame Sun Yat-sen, chairman of the Provisional Preparatory Committee of the Shanghai Anti-War Congress, in a manifesto issued July 28 announced that the congress will be held about the middle of September. Representatives of trade unions, workers groups, students, cultural and other organisations are invited to attend the meeting. Believing that the world situation is leading directly to a new world war, Mrs. Sun described the purpose of the Shanghai Congress to be the mobilization of forces to oppose any imperialist war in the Far East and to co-ordinate the anti-war movement in this part of the world with the international campaign.

Three of the five Korean delegates who were to have attended the conference were reported arrested last week by local Japanese consular authorities who consider the convention "unfavorable to Japanese policy."

Japan may, nevertheless, be represented at the convention. The names of three Japanese radical leaders have been mentioned by local Chinese papers, which also state that the Japanese authorities are now watching their movements.

A number of delegates have already arrived in Shanghai, but the utmost secrecy is being observed regarding their movement. The *Shun Pao* says that as far as can be ascertained two delegates from Japan, three from Korea and one from the United States are now in Shanghai. China's delegates cannot, as yet, be ascertained.

According to information in Chinese circles, in Peiping a number of pacifist students of Tsing Hua, Yenching, Peita, Shihta and Catholic Universities are planning to organize an Anti-World War League to co-operate with similar organizations in other parts of the world. Most of these students are affiliated with radical organizations. Their present activities are apparently influenced by the impending meeting in Shanghai.

Political Unrest Continues in Japan

A movement in favor of substituting the existing so-called emergency Cabinet under Viscount Saito by a strong coalition Cabinet under the hegemony of the two biggest political parties, namely the Seiyukai and the Minseito, has been started in Japan by influential leaders of the two parties.

Dissatisfaction with the diplomatic policy of Count Yasuya Uchida, the Foreign Minister, is growing among Foreign Office officials, a recent Tokyo message stated.

The so-called National Spiritual Culture Institute has among its students at present twelve youths (who were expelled from their colleges on account of their radical ideas) and sixty normal school teachers. In view of the evident signs of the growth of Communist ideas among the school teachers, it is said the Education Department feels the necessity of re-educating those who have already been trained for the teaching profession. Its present plan is to extend the accommodation capacity of the Institute and make primary and middle school teachers receive six months' training there so that they can acquire "the knowledge necessary for the guidance of their students along the right path."

Ryusuke Miyazaki, a noted proletarian leader and the husband of Byakuren, an accomplished poetess, announced his decision July 14, to abandon the proletarian movement. He explained that there have come into being of late many good fighters among the young men, and that he thought it a high time for an old-timer like himself (he is but 42 years old), to make way for the rising generation.

A total of 118 persons had been arrested up to July 20 by police of various cities in Japan as the result of the raid July 11 on a "prayer meeting" at the Meiji Shrine, which was, according to the Metropolitan Police Board of Tokyo, to have been the start of a murderous reactionary campaign against high Government officials and financial leaders.

Kinnosuke Otsuda, a former professor of the Tokyo University of Commerce, arrested several months ago for allegedly extending financial help to Communists, was sentenced July 18 to two years penal servitude with a stay of execution of three years, in the Tokyo District Court.

Japan "Times" Says Commuuism Is Losing Ground

The foothold of communism is weaker in Japan at present than it has ever been in years, according to the Japan *Times* of July 16. A reason given why communism is so weak in Japan today is said to be the failure of previous attempts to cause a social revolution. It is said that along about 1927 communism was at its apex in the Island Europe, with many of the industrial centers tainted. There were red laborers in key positions. Gradually, however, these leaders were spotted and arrested and the number of those replacing them has decreased markedly because, investigators feel, the average workman has come to the conclusion that turning to communism merely means being sent behind the bars.

Twenty Communists, alleged to have been influencing workers of the branch factory of the Nagoya Spinning Mill and the Hokuetsu Papar Mill at Niigata, were rounded up by Japanese police recently.

The advisability of giving Governmental assistance to a project of organizing an unofficial body in Japan to cooperate with the anti-Communistic organization in Geneva, was discussed at a meeting of the Japanese Cabinet July 14.

Prince Tomohide Iwakura has submitted his resignation to the Imperial Household Department, where he had been employed in the capacity of a minor official of the Forestry Bureau, because of the recent arrest of his sister, Miss Yasuko Iwakura, on radical charges.

A young Japanese by the name Kazuo Toge, who has been in jail on a sentence of seven years' imprisonment since his arrest, told his father when the latter visited him in jail that the Communist Way was above duty to the family and filial piety. Kazuo was a student of the Kyoto High School, where he is alleged to have become so-imbued with Communism that later he found his ideological expression in the actual Communist movement, for which reason he is now a prisoner.

Field Marshal Muto Dies Suddenly at Changchun

The death occurred at Changchun early in the morning of July 27 of Field Marshal Nobuyoshi Muto, Commander-in-Chief of the Kwantung Army and concurrently Japanese Ambassador to Manchukuo and Governor General of Kwantung Leased Territory, after an illness of only three days. He had been on a visit to Dairen July 20, and returned to Changchun the following day. He became seriously ill July 24, suffering as the Japanese telegrams stated, from jaundice, but later an official report issued by the Medical Corps of the Kwantung Army gave the name of the malady from which Field Marshal Muto died as cholecystitis (inflammation of the gall bladder) and recurring peritonitis.

The late Marshal Muto was born July, 1868, in Saga Prefecture, Kyushu. He got his first military commission as a sub-lieutenant in 1893. He gradually climbed the military ladder and held the posts successively of instructor in the Army College, Commander of 4th Infantry Regiment, Commander of 23rd Infantry Brigade, Vice Chief of the General Staff, Commander of the 3rd Division, and subsequently became a Supreme War Councillor. He served as a platoon commander in the war against China in 1894, and was decorated for conspicuous bravery in the war against Russia in 1904. In recognition of his services in Manchuria since his appointment to the post of Commander-in-Chief of the Kwantung Army, he was made a Field Marshal in May, this year. He was in his 65th year when he died.

He assumed the post of Commander-in-Chief of the Kwantung Army in August last year, succeeding Lieut-General Honjo. *Rengo* says that, added to his distinguished military service, Field Marshal Muto displayed rare ability in the field of civil administration and diplomatic service respectively in the roles of the Governor of Kwantung Leased Territory and Japanese Ambassador to Manchukuo. He was the envoy plenipotentiary of the Japanese Government to sign the Japan-Manchukuo Agreement whereby Japan recognized Manchukuo as an independent state.

Ruthless in the treatment of the men under him, he was a spartan in his personal conduct. He was a vegetarian, neither smoked not drank and it is recorded that neither geisha, dancing similar frivolity had any place in his strict rules of conduct. He preferred what he himself termed "a happy and harmonious life" with his wife and two daughters at home, and it was typical of his contempt for ostentation that although his attractive young daughter, Masako, was sought in marriage by more than one rich man's son, he would have none of them as his son-in-law, but gave her in marriage instead to a poor but promising young Army subaltern. His principal hobby was writing poetry; and it is said that during his few leisure hours, he enjoyed nothing better than to sit down with Japanese brush and paper, and compose poems.

The last rites for the late Field Marshal will take place at the funeral service hall of the Aoyama Cemetery, Tokyo, under the joint auspices of the War, Foreign and Overseas Ministries August 6 or 7. The coffin was left in the official residence of the Kwantung Army commander-in-chief until July 30 when it was taken aboard a funeral train for Dairen.

Muto's Death Will Cause No Change in Policy

Tokyo messages stated that Japan's Manchurian policy would not be affected in the slightest degree by the sudden death of Field Marshal Muto. Upon receipt of a report concerning his death high officials of the Foreign Office, headed by Foreign Minister Uchida, held a meeting to discuss Japan's future policy towards Manchuria, when it was unanimously decided to maintain the same policy and to invest General Muto's successor, General Takashi Hishikari, Supreme War Councillor, and former Commander-in-Chief of the Formosan and Kwantung Armies, with the same power as the head of supreme military, diplomatic and civil posts in Manchuria.

General Takashi Hishikari called on Count Uchida, Japanese Foreign Minister at the latter's office July 31 and exchanged views with him regarding the Japanese Government's future policy towards Manchukuo. It is authoritatively reported that the Foreign Minister gave instructions that on executing the Japanese policy to Manchukuo, consultations should be made with the Foreign, War, Navy and other ministries.

The Future of New Japan in the Eyes of the Japanese

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

Future Diplomatic Policy of the Japanese Empire

(By Toshio Shiratori, Minister and ex-Chief of the Intelligence Bureau of the Foreign Office—Diamond, July 11)

There is afloat a rumor that Japan's diplomicy made a radical change with the Manchurian Incident as a turning point, and the self-initiating strong policy having now gone too far, it is time to put a due restraint to the practice. After the Manchurian incident Japan has quit the League of Nations and caused Manchuria to stand on its own feet. All such actions, however, have brought no positive benefit to the country; as seen from the result they were negative. If the so-called strong front is really to be discontinued, the Manchurian incident may be buried away meaningless. The so-called strong diplomacy followed by the country is not at all qualified to be termed a self-initiated one, because it did no more than to rebound the foreign oppression. It is now high time for the nation to establish real self-initiated diplomatic policy, and this must be started with her China policy.

After the affairs resulting from the World War were settled up, Japan ought not to have lingered where there was no more business for it to attend. The United States, upon the termination of her duty, quickly withdrew from the scene. In the League of Nations Japan, in payment for her good name of chairman or chairman of a committee, had to invite emmity of nations with which she is scarcely related. As to such questions as the traffic of women and children, labor and opium, Japan was at all times made to stand in a position of defendant. Any issue concerning Japan invariably turned out to her disfavor. While she was employed as a tool everytime there happened a dispute between small nations of Europe with which she has no interest, she found herself in quite a disadvantageous position in solving the Manchurian and Sino-Japanese issues. The United States did not join the membership of the League and this is because she had foreseen the mess Japan got into. It is superficial to consider that the tie between the League and the United States has been tightened through the Manchurian incident. Witnessing the scene in which Japan stood embarrassed in the League of Nations, the United States must be glad at heart that the nation has kept herself aloof from the international peace organ.

We find those who stick to advocating liberalism and thus seek for the advent of peace. The liberalism was a requisite in the last century as were democracy and capitalism. From the economic viewpoint liberalism has an extremely narrow sense. And this is why it fosters up socialism in the atmosphere which it creates. Communism is apparently a failure as is exemplified by Soviet Russia.

Fascism put up its head in Italy and Germany, but it still lingers in the experimental stage. It is Britain, France and the United States which still retain the so-called liberalism or democracy. Germany, Italy and Russia are putting into practice the policy diametrically opposed to it. The world attention is focused upon the course of these two world currents of politics.

As for Japan her policy is similar in form to that of Britain, France and America. But the result of the fascist movement in Germany and Italy will greatly affect the future political course of the country.

The Japanese have the tendency quickly to model after European things, but they ought to make discrimination between the capitalism of the West and their own. The Japanese race has no equal in that it is richly endowed with the spirit of royalty and worship of gods. This fact the people must bear in mind in their attempt at introducing foreign culture. In order to effect speedy development the nation had to adopt European political forms in a short duration of time. The time has at last come for the nation to unite to exert more efforts toward readjusting her own affairs. Hence the question requiring her special attention is that concerning the home affairs as well as situations outside the country. All the Government policies must be founded upon the will of the nation. It is wrong to speak ill of the so-called weak diplomacy of the Government before the Manchurian trouble, because the international conditions of the country at the time of the Washington Conference in 1921 were such that the national wealth, amassed during the war boom, had mostly gone and the reactional wealth, amassed during the war boom, had mostly gone and the reactionary business inactivity had completely depressed the spirit of the nation. On the part of the United States, however, the situations were quite the reverse, for all the earnings during the world boem had been kept intact, so that the people were ready to shoulder any big financial burdens. No strong policy was denied them.

Conditions are different now, for the people have, after the Manchurian incident, realized their duty in time of emergency in which they now find themselves. This awakening of the nation forms the most reliable background for the exercise of a just, strong diplomacy.

In Europe and America the ruinous aftermath of the World War has at last began to reveal its real self, mercilessly producing cracks in the fields of thought, economy and social conditions. Taking full advantage of this unique chance Japan should attempt to launch a determined drive outside the country, upon readjusting and stabilizing its internal affairs.

Speedy Formation of an Asiatic League Essential

(By Colonel Masaharu Homma, Press Section of the Army—Jiyu Hyoron, July Number)

The world political situations have been showing an extreme instability since the end of the European War. The Pacific Ocean is being converted into the new central stage of the international problems.

It is predicted that the world attention will in future be focused on the Pacific Ocean, but the cause for political unsafety lies in the European Continent just as ever. A glance over the existing condition of Western Powers will amply endorse this contention. Judged from the political situations in Europe, the peace of the continent can be maintained through balance of power as in the pre-war times. But the prerequisite for same lies in the successfully getting rid of the world depression of busiress. To do so, the most essential factor is the advent of peace. Here is the raison d'etre of the League of Nations.

As has been repeated the League of Nations is an organization for the European states. As they have little interests in the affairs of the Orient, so we too are slightly concerned with those in Europe. Evidently, it was wrong that both China and Japan plunged into the League, whose principal concern is the welfare of Western nations. It is therefore but natural to regard Japan's withdrawal from the League as the evidence of her coming back to its real self.

Asia has its own peculiar culture, history and traditions, and we have thus cogent reason to believe that affairs concerning Asia can be settled up by Asiatic nations far more advantageously than with the assistance of the Whites. The tariff, economic, racial and immigration questions are typical issues that can better be solved among Asiatic nations themselves. In America there is the Monroe Doctrine, which binds up North and South AmericanContinents. Great Britain has its own league of seven nations. In Europe there are two rival leagues with France as the central figure of the one and Germany and Italy of the other. Besides, for the whole Eupropean Continent there is the League of Nations. Why should we not build up an Asiatic league? It is essential even from the viewpoint of the resurrection of the Asistic countries.

The world peace could, I believe, be maintained through the cooperation of these continental leagues.

There are only three states of China, Manchukuo and Japan that are expected to join the league: India, which is groaning under the constant pressure of Great Britain, will take pretty long time to became independent.

The Sino-Japanese relations at present are in an unfortunate condition, but such an unnatural situation ought not to be allowed to exist forever. The Japanese people entertain no special ill-feeling against the Chinese. Availing of this opportunity, China should stand up for the formation of the league of Asistic nations, taking the hands extended by Japan. I am earnestly waiting for an

early arrival of the time when the three neighboring states of China, Manchukuo and Japan cooperate in the formation of an Asiatic league.

New Anglo-Japanese Relations and Our Stand

(Prof. Yasaji Nakamura—Jiyu Hyoron, July number)

The past thirty years' history of Anglo-Japanese rivalry can roughly be sectioned into three stages of (1) Anglo-Japanese relations growing less and less intimate (1906—1911,) (2) economic competition in their Far Eastern trade, and (3) frontal clash.

The Anglo-Japanese frontal collision is the product of the past one-third century. To see them stand in rival positions in the markets of the Asiatic Continent is at least unnatural; their antagonistic conditions will be aggravated more and more in the future until one of the competitors is disabled and evacuates the arena.

Fortunately, up to the present Japan in almost all cases emerged victorious in the field of commerce, not merely in India but in China as well.

In the face of the predominant a position which Japan has established in the Far East Britain could no more remain in a nonchalant attitude. The *Morning Post* and Manchester *Guardian* gave a warning that the recent business inactivity of Lancashire cotton spinning industry was mainly due to the phenomenal advance of the Japanese industry. The warning and national cries that followed proved effective to shift the Government attention seriously toward the subject.

Subsequently, the Government efforts to restrain Japan's influence in the Orient made their appearance in a concrete form, such as, for instance, attempt at making Yuan Shi-kai ascend the throne as a new Emperor of China, frustrating the French attempt at ceding Cochin China to Japan, checking Japanese immigration into its Pacific dominions and, what is most outstanding of all, putting detectives on the trail of the Japanese travelling in India. All these thoroughgoing anti-Japanese movements amply testify to the fact that the practice by the British Government was no less severe than that by the United States.

In this way the Anglo-Japanese relations go on daily aggravated and the national sentiment of both nations is growing worse in sympathy. Declaration of partial severance of economic relations is publicly made and all the publications in Britian are directing their verbal attack in unison toward Japan. Lord Lytton declares in his report concerning the Anglo-Japanese relations. "they are in a state of camouflaged battle and their future is wrapped in gloomy uncertainty."

Japan's final step taken in the League of Nations was entirely due to the lack of recognition or rather distorted view of Oriental affairs on the part of the League. Naturally, therefore, not forgetting the daring steps taken, she must speedily construct a stronghold in the form of an Asiatic league. Such a league is especially needed at the present time when Great Britain is crazy for the creation of a false international opinion either through befriending America or casting an amorous glance at Russia. As the initial step to the formation of such a league of Asiatic nations, the first essential requisite is to foster the new State of Manchukuo into a perfect State. And it will surely prove a stimulant to the Chinese and a ray of hope to the three hundred millions of India. The independence of India carries two important aspects, that is, the consequent downfall of British rein of government and resultant activity of the fountain-head of the Oriental culture which has long been blocked up under the heels of the White Race.

All efforts must be directed toward nurturing up Manchukuo speedily into a state of flawless perfection.

Formation of a Great Asiatic League Decidedly Essential

(By Siko Nakano, M. P.—in special number of Yuben, in July number Jiyu Hyoron and in July number of Seiji Keizai Jiho)

Since the outbreak of the Manchurian incident in September 1931, I have persistently insisted on taking a strong attitude ahead of all others. What is meant by strong Manchurian policy is not the so-called Imperialism nor any aggressive policy. By cutting off the yoke of Chang's reign, under which all the Manchus and Mongols had long been deprived of liberty, and through Japan-Manchurian cooperation, I mean to firmly stand against the aggressions from over the Pacific, north and south. In other words, our enemy was not Manchuria nor China.

As it so happened that our real ideal was misrepresented abroad so much so that a report that Japan had invaded Manchuria I, with a view to ascertaining whether our ideal pertaining to the Asiatic races was really misunderstood by nations of the Orient, secured a chance to have an interview with some Indians the other day. They unanimously expressed their view to the following effect:

"The three hundred million of our compatriots do not consider that Japan occupied Manchuria by force of arms. Far from it, for they are confident that Japan has valiantly stood up against the White invaders who encroached into India, Straits Settlements, Annam, Siam and further stretch their evil hands all over the Asiatic Continent. The Indian masses do not regard the Japan's Manchurian enterprise as the practice of her aggressive China policy. Instead, the new activities of Japan are construed by them as having effectively turned the magic hands of Britain, America and France from the Orient—at least completely from the plain of Manchuria."

Just think of the 110,000,000 Asians consisting of 30,000,000 of Manchuria and Mongolia, 20,000,000 of Japan Proper, stand up in perfect accord in the Far East; the White man's scheme of putting all the surface of the globe under his reign will then be mercilessly frustrated.

Upon consummation of such a stronghold of the Asiatic nations, the country which is hardest hit must be no other than Great Britain. She would then feel anxious about the future of India. That Japan may shake hands with Soviet Russia might be another element of her uneasiness. The tactices of foxy Britain are well exemplified in her making Tibet stand on its own feet. See how tactfully she escaped the yoke of the provision of the Anti-War Pact and how patiently the League of Nations kept silence in regard to the affair. However, in anticipation of Japan's finally quitting the League and consequent radical change in affairs pertaining to India, Great Britain realized the need for softening the sentiment of the Japanese, of course only in appearance. What did she say upon Japan's being kicked out of the League membership? "Britain tried hard to side with Japan in taking the lead of the League of Nations, but our effort has come to no avail due to smaller nations' sticking fast to anti-Japanism. Neverthesess, Britain entertains good-will toward Japan," was her remark uttered on patting a Japanese diplomat on his shoulder. The Japanese diplomat is such that when he feels the hand of a British diplomat on his back he is elated in an ecstasy of joy. At least 60 per cent. of the League members are under the influence of Great Britain, while 20 per cent. are under France. If these two Powers really mean what they intend to do, nothing can be undone in ordinary circumstances. No, we do not want so many: one vote from Great Britain herself would have been sufficient.

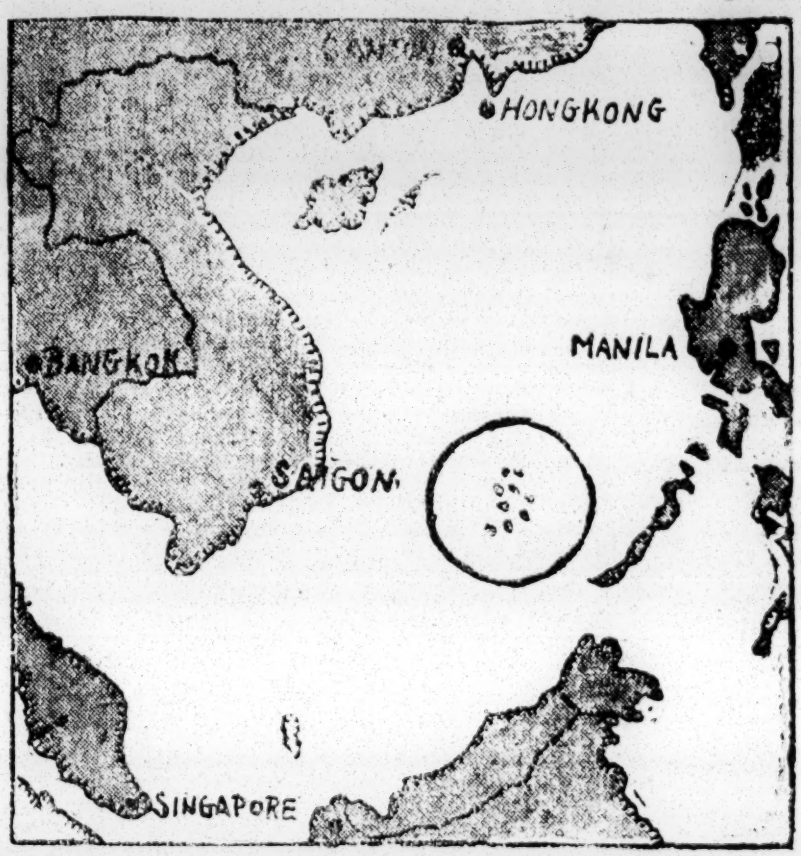
Those who have been to Britain may have noticed that all the furniture with which British houses are furnished, has, though prosaic in appearance, the durability for 50 to 100 years. Most of the money with which it was purchased came from India—nay, usurped from India. Her latest attempt at checking the Japanese imports into India under the pretext of the protection of the Indian industrial enterprises, is evidently intended for the safe disposal in Indian market of Lancashire manufactures, which are noted for their high price and inferior quality.

The islands of the Japanese Empire lie stretching from north to south along the coast of the Asiatic Continent embracing the Sea of Japan. This bow-shaped group of islands is, as it were, the Great Wall on the sea. All the products of China, Siberia and Manchuria cannot but seek for their outlet through the coast facing Japan across the sea whose command Japan monopolizes. If the various economic blocs of the world continue wielding their imperialistic economic influence, Japan on her part cannot but fortify this Great Wall. With such strategic points as Heilungkiang, Kingan Rage and the North China Sea perfectly fortified along the Great Wall to the sea, the bountiful products produced in it could find its outlet neither in Europe nor America. With all these abundant natural products placed at the disposal of our country, we should be able to withstand any outside oppression. The existing strength of our navy is more than sufficient to meet the need for the protection of the Great Wall of the sea; the surplus strength might be directed to the western Pacific Ocean and South Seas.

To realize the ideal, what is most essential besides military power is to foster brotherly relations with the Chosenese, bring up Manchukuo into a flawless state, befriend China and to further extend friendship and the spirit of brotherhood gradually to the Philippines, Straits Settlements, Annam, India and all other countries which sympathize with our ideal.

French Occupation of Pacific Islands Provokes Protests in Tokyo and Nanking

A sort of a tempest in a teapot has been caused by France, who raised her flag above nine small coral islands in the South China Sea, latitude 10 north and longitude 115 east, on April 7, 10, 11 and 12. The total acreage of these islands is approximately 300 acres, or less than half a square mile. Some of them are desert islands; others support a few Chinese fishermen. The islands have hitherto not been acclaimed by any nation, and have been



—*Reproduced from the China Press*

Islands Occupied by France Shown in Circle in above Map.

for the most part ignored, except by seamen who consider them a possible danger due to the fact that until a French warship visited them last month they were partly uncharted. While the occupation occurred in April, the news was not relased until July 14, the French National Holiday. The official announcement was made July 25. The islands are known as Caye, d'Amboise, Ituaba, Deaux Illes, Laito, Thitu and Spratly.

Nanking government circles express the opinion that the islands may belong to China. It is pointed out by them that Chinese fishermen of the Southern provinces have visited the islands at certain seasons for more than a century and the few inhabitants that the islands have had were Chinese. A spokesman for the Foreign Office at Nanking said that no official report had been made regarding the French annexation move but that a warship might be sent there to investigate. The belief is expressed in Nanking that if the islands belong to any nation by right of settlement, that nation is China. The Chinese Foreign Office has received telegrams from many public organizations requesting that a strong protest be lodged with the French government regarding the occupation of these islands.

The Japanese Foreign Office is considering filing a protest with the French Government on the ground that the islands had been inhabited by Japanese, and cultivation of these islands were undertaken by them half a century ago. The Japanese Foreign Office is now conferring with the Navy Office authorities with regard to the matter.

The Government received a telegram from the Canton Authorities stating that these islands are situated south of the Hainan Islands, within Chinese territorial waters. They have been used as bases by Chinese fishermen from Kwangtung and Fukien, but owing to the water being salty and undrinkable, the fishermen have found it impossible to take up permanent abode in these islands. The Ministries of Foreign Affairs and the Navy, it is understood, are shortly sending special representatives to make an investigation on the spot in order to confirm whether the islands are within China's territorial waters or have been occupied by Chinese nationals.

The *Shun Pao* comments:—"The French occupation of these islands marks the beginning of another race between the imperialist Powers in looking for new colonies. By occupying these islands the French secure a strong fortification in the southern waters for the defence of Indo-China. This fact shows that the Powers are gradually diverting their attention to the Pacific and the failure of the Economic Conference will give a further impetus to the struggle. In all these movements, China seems to be the victim."

Washington Declares Japanese Allegation Is Absurd

Japanese reports that the United States was negotiating the purchase of a new naval base in an island situated to the south-west of Amoy, China, were described by Mr. Philipps, the officiating American Secretary of State, July 28 as "too absurd to be discussed."

M. Wilden, French Minister to China, proceeded to Nanking during the week to resume his negotiations with the Foreign Office concerning the signing of the Sino-French-Annam Commercial Treaty, which was drafted several years ago, but has never been formally signed between the two countries on account of some difference of opinion regarding certain points in the document. The report that the French Minister's visit to Nanking was connected with the question of the French occupation of nine small islands in the South Pacific was categorically denied by the French Consulate-General in Shanghai, which took the attitude that the French Government sees no necessity to take up said question with the Chinese Government.

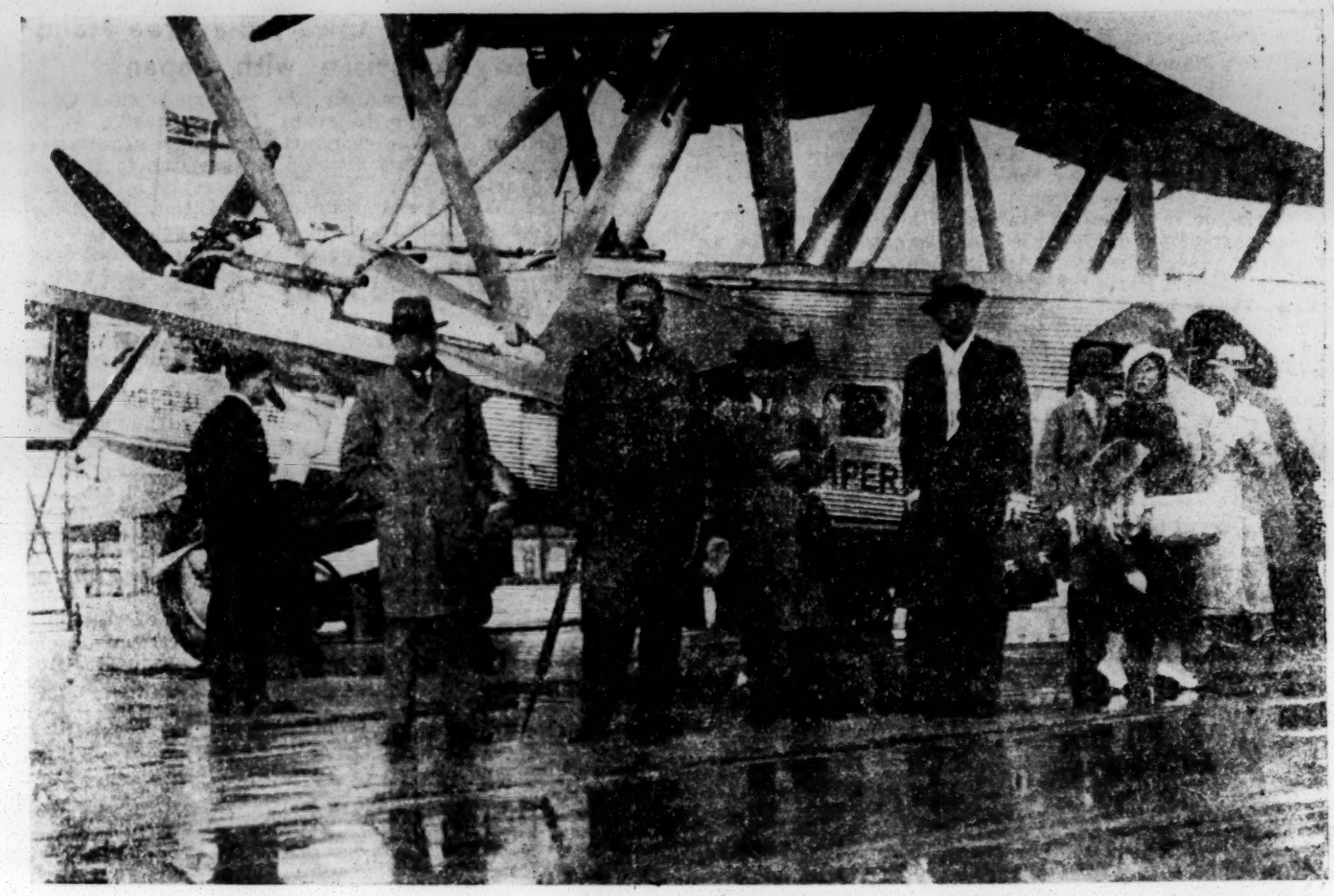
Manila Chinese Would Build Railway in Fukien Province

A group of wealthy Chinese residents of Manila, headed by D. C. Chuan, lumber dealer, has formed a company with the object of constructing a light railway connecting the towns of Changchow and Lungyen in Fukien province. The distance between the two towns is about 100 miles and while the country is mountainous it is expected the enterprise will be profitable because Changchow serves as the mainland port for Amoy. The company has obtained a concession from the Fukien government and many Chinese in Amoy, including Hwang Yi-chu, have invested heavily in the enterprise. The chief source of revenue of the railway is expected to be the coal fields at Lungyen, which are undeveloped.

It was this report apparently, which was responsible for the recent Japanese allegation that American interests are investing heavily in Fukien industries. Most of the Chinese in the Philippines are from Fukien province.

Chinese Seamen Denounce British Steamship Company

Strong denunciation of the China Navigation Company is being indulged by the Overseas Chinese Mutual Aid Association for refusal to settle the *Woosung* incident and to accept the mediation of Dr. Kan Chieh-hou, inspector general of foreign affairs of the five southwest provinces. The association charges that the China Navigation Company utilized rascals in Shanghai to attack the cabin boys of the river steamer *Woosung*, resulting in serious injury to some of them and the missing of another. The company has made millions of dollars out of the Chinese, but the *Woosung* incident is an insult not only to the Chinese seamen but to the bureau of inspector of foreign affairs and the Chinese government, the Association charges.



The photo herewith shows T. V. Soong, Minister of Finance, arriving by air in Paris on June 19 to pay official calls to Premier Daladier and Foreign Minister Paul Boncour. In the picture from left to right are Dr. V. K. Wellington Koo, Minister in Paris, T. V. Soong, Minister of Finance, Chi-Yung Hsiao, Counsellor of the Chinese Legation in Paris, and Kuangson Young, Counsellor of the Chinese Delegation to the Monetary and Economic Conference and Secretary to Mr. Soong.

T. V. Soong Sails from France for U.S.A.

T. V. Soong, Chinese Minister of Finance, sailed from Cherbourg, France, July 29, for New York, on the Cunard liner *Berengaria*, enroute to Shanghai. It is expected that Mr. Soong will arrive in Shanghai on or around September 5. Mr. Soong was received in the French capital July 28 by President Lebrun, who conferred upon him the Grand Cordon of the Legion of Honor. He was also guest of honor at a farewell luncheon given July 27 by M. Paul-Boncour, the French Foreign Minister, and among those present were the highest officials in Paris. There were present, on the Chinese side, Wellington Koo, Chinese minister to Paris, Liang Pei, chief secretary to T. V. Soong, and Marshal Chang Hsueh-liang. Mr. Soong arrived in Paris from Berlin July 27.

In connection with the visit of T. V. Soong, Chinese Minister of Finance to Berlin, brief mention of which was made last week, a *Reuter* message stated that the object of his visit was to make contact with industrialists and economic experts with a view to closer economic co-operation between Chinese and German industrialists, who hope that profitable orders will result from the visit. The *Deutsche Allgemeine Zeitung*, in a leading article welcoming Mr. Soong as "one of the most distinguished statesmen and far-seeing politicians of our time," commented: "In no country will he find a more complete understanding of the position of his people than in Germany which, like China, has to fight hard for national restoration."

In a speech welcoming Mr. Soong to Berlin, Herr Mayer, Vice-Minister of Foreign Affairs, representing Herr von Neurath, Foreign Minister, who was away in Munich, stated that recent German political changes have resulted in national unity. He emphasized closer Sino-German economic relations with a view to benefiting both countries.

Replying, Mr. Soong said that while all other countries are over-developed economically, China's rapid development will prove beneficial to industrial countries as well as China. He said that German industrial achievements and technique have always evoked high admiration from China. Welcoming the untrammelled collaboration of Germany, the development of China, he asserted, will assist in the solution of the unemployment question in Germany.

At a dinner given by the Central Union Bankers Association in his honor, Mr. Soong said that the time is psychologically ripe for the Chinese people to concentrate their entire attention to economic reconstruction immediately on feasible lines. He added that he gladly welcomed German cooperation and expressed gratification with the highly significant response he had met with in Germany.

Mr. Soong was accompanied on his tour by Liu Wen-tao, Chinese minister at Berlin, as well as by the Chinese consul general and the manager of the Shanghai branch of the Bank of China, Pei Sung-tsui.

Japanese Threaten to Collect, if T. V. Soong Raises Money in Europe

Reports that T. V. Soong, Chinese Finance minister, is obtaining large loans in Europe and the United States have caused the Japanese Government to consider making a demand for the payment of Japanese loans to China, a *United Press* telegram from Tokyo, July 30, stated. The loans total nearly Yen 1,000,000,000, according to Japanese officials. The Tokyo message goes on say that besides a loan of Yen 120,000,000 made by China for military uses, the Communications Ministry alone owes Yen 45,500,000 for the telephones and telegraphs. A telegraph loan of Yen 20,000,000 was obtained in 1918 from the Taiwan Bank, Chosen Bank and the Kogyo Bank through the Hongkong & Shanghai Banking Corporation and an additional loan of Yen 13,000,000 for the same purpose from the Toa Industrial Company in 1920. The Japanese attitude is that should China use the loans now being raised in Europe and America for an anti-Japanese campaign, Japan would demand the immediate liquidation of Japan's loans. The military leaders in Tokyo and of the Kwantung Garrison have proposed seizing telephone

and telegraph lines over China by force in case it is necessary to collect the loans.

Chang Hsueh-liang Studies Aviation and Fascism

Marshal Chang Hsueh-liang, during his visit to France, participated in tank maneuvers at Versailles July 26 and also inspected the Citroen and Renault motor works. The following day he was the guest of honor at a luncheon tendered by the Foreign Minister, M. Paul Boncour, at the Quai d'Orsay.

Aviation is claiming Marshal Chang Hsueh-liang's closest attention during his European tour, and he is studying modern military developments, with great interest. He left Paris for England July 20 by plane in order "to learn fresh lessons." After his visit in England he will proceed to Germany. On the political side Marshal Chang is particularly investigating vigorous movements like Fascism and communism. Marshal Chang had breakfast in Paris with Mr. Soong July 29.

Border Incidents Exacerbate Manchukuo-Soviet Relations

A series of border incidents during the past few weeks have tended to exacerbate relations between the Soviets and Manchukuo. Two Japanese soldiers patrolling the Manchuria-Soviet border near Pogranichnaya were fired on by five officers of the O.G.P.U., the Russian police force, at 1 o'clock July 13. The report of the event said one of the soldiers was slightly injured.

Reports from Habarovsk said that on June 29 the Soviet authorities detained in territory adjacent to Manchuria 10 White Guards, including Prince Ukhtomsky. The white Guards allegedly confessed they had orders from General Kosmin, head of the Russian Fascists at Harbin, on behalf of a certain group of Japanese militarists in Manchuria, to cross the Soviet frontier for the purpose of espionage and terrorist acts.

"A certain military organ" in Harbin reported that on July 10 an undetermined number of Soviet frontier guards crossed the Manchukuo border line at a point 80 miles north of Heiho, on the Amur River, and seized foodstuffs valued at Yen 40,000 from a village after killing four of its residents.

The Russian press of Harbin has lately been considerably agitated over the fate of ten Russians alleged to be Manchukuo citizens who were alleged to be guards on the Manchukuo ss. *Tunsan*, which according to statements made by the commander of another vessel, was taken captive by Soviet marines.

The Soviet Consul-General in Harbin, July 28 protested to Manchukuo regarding the escorting to Pogranitchnaya by Manchukuo frontier guards on July 27 of a train belonging to the Ussuri Railway and which had entered Manchukuo territory. Manchukuo replied the following day that it had released the rolling stock but that the passengers and crew were being detained as they were without documents. M. Slavutsky, the Soviet Consul-General answered that Ussuri ballast trains may work on this section and it was not necessary for crews to produce visas. Manchukuo refused to admit this.

The Japanese Consul at Petrohabarovsk reported last week that the Soviet coast guards who killed the three Japanese members of the crew of the fishing boat *Fumi Maru* at Olga point, in east Kamchatka, are now being detained in a prison at Habarovsk, and that the chief of the coast guards has been deprived of his post.

The South Manchuria Railway has decided to abrogate the Changchun agreement of 1922 with the Chinese Eastern Railway at a month's notice. The agreement stipulated the regulation of competition in freight traffic between the two railways. Henceforth the South Manchuria Railway will be able to compete freely in absorbing north Manchurian staple products for carrying to the south.

A False Alarm at Premier Saito's Residence

When Premier Saito and his family were dining with Bishop and Mrs. Wells from Chosen, Ambassador and Mrs. Grew of the United States and several others July 25, the alarm bells at the Premier's official residence began to ring simultaneously. As a result police officers on duty rushed about the place with cocked pistols. Finally they investigated the alarm system when it was found that a policeman on duty had turned on the alarm bell switch believing it was a lighting switch. The commotion lasted fully ten minutes, all the while the bells ringing out in the dusk.

Britain Will Not Give India Free Hand to Negotiate with Japan

A Tokyo message July 29 reported that Great Britain will be unable to grant full authority to the Government of India to conduct diplomatic negotiations with Japan or any her foreign powers, due to internal political considerations. The British reply is stated to have added that as a case of practical politics, should such authority be granted to India at this juncture, it would be bound to encourage and intensify the independence movement in India and at the same time create a serious controversy in the British Parliament.

In the House of Commons July 25 Dr. E. Leslie Burgin, Parliamentary Secretary to the Board of Trade announced on behalf of the Government that Japanese cotton interests had agreed, subject to certain limitations, to a discussion with the British industries concerned on the low price of competitive manufactures. Britain, he added, had proposed a tripartite discussion in India shortly between the representatives of Lancashire, Japan and India, covering the whole field in all classes of textiles in which these countries were interested. The discussions would relate to the Indian market and to British Colonial markets in which India was interested.

The negotiations now in progress in London between the British government and representatives of the colonies and dominions, are regarded by *Pravda*, the Communist Party organ, as fresh evidence of the process of dissolution of the British Empire. "It is characteristic," *Pravda* concludes, "that the Ottawa decisions accelerated Canada's orientation toward the United States. The London negotiations will only serve to increase those divergencies within the British Empire which hamper British imperialism in its struggle against the United States."

An Osaka message July 31 stated that it had definitely been decided that the four Japanese delegates who will represent Japanese industrialists at the forthcoming Anglo-Japanese trade negotiations for the solution of various trade problems between the two countries, Messrs. Okada, Miyake, Mimura and Kawaguchi of the Japan Cotton Spinners' Association, will leave Yokohama for London via the United States on the *Chichibu Maru* August 11.

Airplanes belonging to the Royal Air Force set out from Simla August 1 on a bombing expedition against Kotkai in the North West Frontier, with a view to bringing the rebellious Bajauri tribesmen to subjection.

Gandhi Starts "Fresh Sacred Mission"

Mr. Gandhi, the Indian Nationalist leader, decided to begin a "fresh sacred mission," beginning with the march of 32 Ashramites, including Mrs. Gandhi and 15 other women, to the village of Ras, in the Kaira district, to invite the villagers to participate in a new civil disobedience movement. The march started August 1, but the Indian government promptly arrested the Mahatma, his wife, and followers and imprisoned them at Saharmati. Gandhi was later released, but kept under surveillance.

Spain Recognizes Soviets---America Next?

Spain, de facto and de jure recognized the Soviet Union July 27. Spain has declared her readiness to enter into immediate negotiations with the Soviets for the conclusion of a treaty of commerce between the two countries.

A *U.P.* message July 12 stated that visions of a billion-dollar trade with Soviet Russia are completely overshadowing the protests of patriotic and labor organizations in the United States regarding American recognition of the Soviets so far as the Russian-American committee of New York State Chamber of Commerce is concerned. The committee announced that it had reversed its stand taken in April regarding recognition and that it now favored the appointment of a national board to decide on what basis relations between United States and Russia shall be resumed.

A recent *Tass* message stated that 120 children of political prisoners serving sentences in the jails of the "capitalist west" have arrived at Ivanova, where they will live and be educated in an international children's home at the expense of the workers of said city and other industrial centers of Soviet Russia.

The aggregate output of all gold-producing properties in the Soviet Union reached a record high mark in the first six months of this year, passing all previous production marks, whether in tzarist or Soviet Russia.

Significance of Japan's Claim to an Asiatic Monroe Doctrine

BY GEORGE H. BLAKESLEE

George H. Blakeslee, author of this article which appeared in July "Foreign Affairs" is Professor of History and International Relations at Clark University. He served as an expert at the Washington Conference 1921-1922, and was an American expert with the Lytton Commission in China and Manchuria last year.

THE political principle expressed in the phrase "a Japanese Monroe Doctrine" has been used more and more frequently by the Japanese to interpret and to justify their policy in the Far East. Occasionally other terms are employed to express much the same idea, such as "paramount interest," "special interest," "Asia for the Asiatics," "Japanese leadership," and "the right to live." Whatever the name, a fundamental doctrine or policy has developed, and it constitutes a major factor in the affairs of Eastern Asia; it goes far to explain Japan's specific actions in China as well as her general attitude toward the Powers in matters concerning the Far East.

The Japanese Government has made official announcement of this Japanese Monroe Doctrine. "Japan is responsible for the maintenance of peace and order in the Far East," is the statement of the Japanese delegation in its report of February 21 to the Assembly of the League of Nations. Count Uchida, the Japanese Minister for Foreign Affairs, in his address to the Imperial Diet on January 21, referred to Article XXI of the League Covenant, which recognizes the validity of the Monroe Doctrine under the designation of a regional understanding, and said: "The League of Nations Covenant very wisely provides that regional understandings shall be respected. In this sense, our Government believes that any plan for erecting an edifice of peace in the Far East should be based upon the recognition that the constructive force of Japan is the mainstay of tranquility in this part of the world." Although this phraseology is vague and diplomatic, the intent of the Japanese Government to claim the rights of a Monroe Doctrine for the Far East is perfectly clear. Viscount Ishii, when acting as the special ambassador of Japan at Washington in 1917, spoke of a Monroe Doctrine for Asia and asked Secretary Lansing to recognize that Japan had a "paramount interest" in China. In his recently published Memoirs, this distinguished Japanese statesman writes: "From our point of view, Japan possesses interests superior to other Powers in China as a whole, especially in the contiguous regions, much as the position of your country in the Western Hemisphere, especially in Mexico and Central American countries."

The Japanese Doctrine

To interpret correctly Japan's present conduct in China, and to forecast her probable action in the future, it is essential to know what the Japanese have in mind when they speak of a Japanese Monroe Doctrine. What are the rights which Japan asks other Powers to recognize and respect? And the further query then arises whether after all the claim of a Monroe Doctrine for the Far East is really justified.

The idea of a Monroe Doctrine for Asia arose in Japan shortly after the Russo-Japanese War of 1904-05, and has been emphasized by the Japanese during the periods when they have been carrying on an aggressive foreign policy. During the World War, when Japan succeeded in driving Germany out of China and the north Pacific, it had a wide acceptance. Afterwards, especially following the Washington Conference, there was a period of a few years during which it gave way to a "friendship policy" toward China. Little was heard at that time of the Japanese Monroe Doctrine. But during the present acute Sino-Japanese controversy it has once more been brought forward and with added insistence.

According to a few writers the area within which the Japanese Monroe Doctrine is applicable includes the entire continent of Asia. A larger number would limit it to the countries of the Western Pacific. But for all practical purposes it represents the policy of Japan toward China in general and Manchuria in particular. The various principles which are included within this extremely elastic doctrine may be summarized under the headings self-defense or security; Pan Asia; special rights and interests; leadership and guardianship; and the right to live, or economic penetration.

On the principle of self-defense Japan is opposed to any territorial aggression in China by any foreign state. She fought two wars to drive Russia from Southern Manchuria and Germany from Shantung, and she obtained from the Chinese Government in 1915 a declaration that "Hereafter no port, bay or island along the coast of China will be ceded or leased to any foreign country." Recently Viscount Ishii wrote as follows in an article in *Foreign Affairs*: "Generally speaking, our policy in China has been based upon the belief that the establishment of an *imperium in imperio* upon her soil by any powerful third nation or group of nations is not only derogatory to her integrity but is also incompatible with our own security. In this we have been actuated by the same principle incorporated in the Monroe Doctrine."[1]

"Pan Asia," or corollary slogans such as "Asia for the Asiatics" and "Back to Asia," are representative of a policy which has widely different meanings. As used by some Japanese it is defensive; its aim is to protect Asia from the attacks or encroachments of Europe and America. With others it is primarily cultural and commercial. But it is sometimes used in an aggressive sense; all European and American political influence should be eliminated from Eastern Asia, and the entire region should be organized under Japanese political control. In the beginning, however, due to Japan's victory over Russia, Pan Asia represented a sentiment genuinely shared by all the nations of the continent. At one time the movement received the support of some of the leading Chinese, notably by Dr. Sun Yat-sen. But today it has no reality outside of Japan.

"Special Interests"

The claim that Japan possessed "special interests" and a "special position" in China, particularly in Manchuria, has long been maintained by practically all Japanese. Some of the Powers, by treaty and special agreement, have recognized the validity of this general contention. Yet, notwithstanding the frequent definitions and explanations which have been given, the real meaning of these terms, as the Lytton Report points out, is somewhat obscure; it is not clear what privileges and responsibilities they would give Japan in China. In the famous Lansing-Ishii Agreement of 1917, after long negotiations as to the exact phraseology, the following wording was finally adopted: "The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous." It shortly became evident, however, that Secretary Lansing and Viscount Ishii, while they agreed upon the same phrase, had entirely different concepts in mind. Secretary Lansing understood that the expression referred particularly to the commercial and industrial advantage which Japan enjoyed in China due to its geographical position, and that the words had no political significance. Viscount Ishii, however, has insisted that these special interests of Japan "were principally political." In his recently published Memoirs he states that they give to Japan a heavier responsibility concerning China's problems and a greater right to express herself regarding them than have the states of Europe and America.

The majority of Japanese evidently believe that Japan's special interests cannot be limited to material investments and concessions nor to the advantages accruing from geographical situation, and that Japan's special position gives her vital but intangible rights and responsibilities in China. Some claim that Japan has a status of hegemony or paramountcy in China and the right to maintain peace and order. This point of view so impressed the Russian Ambassador in Tokyo in 1917

that he wrote confidentially to his home government: "'The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, *inter alia*, in the sense that other Powers must not undertake in China any political steps without previously exchanging views with Japan on the subject—a condition that would to some extent establish a Japanese control over the foreign affairs of China." The degree of control in China as a whole, both political and economic, to which the Japanese Government (at least in 1915) believed that it was entitled on account of Japan's special position, was made evident by the Twenty-One Demands, particularly the famous Group V, which in the opinion of the high Chinese officials would have placed "the Chinese State in a position of vassalage through exercising a control over important parts of its administration and over its industrial and natural resources, actual and prospective." In northeastern China the special position desired was shown by the Demands of Group II which would have made South Manchuria and Eastern Inner Mongolia an economic sphere, where Japanese would have had a virtual monopoly of railroad construction, public loans and foreign advisers. A further effort to obtain recognition of Manchuria and Mongolia as a Japanese sphere was made in 1919-20, when a request was made that these regions should not be included in the new banking consortium on the ground that Japan had "very special relations" with them. Although more liberal Japanese leaders, such as Baron Shidehara, have interpreted the "special interests" and "special position" in such a way as to be consistent with the Open Door and the integrity of China and with the legitimate rights of China and the foreign Powers, many of the nationalistic and military leaders have used these phrases, and still use them, as justification for attempting to obtain for Japan such extensive and exceptional privileges and such rights of supervision as would necessarily impair the sovereignty of China and the provisions of treaties.

Another principle included within the Japanese Monroe Doctrine is the right of Japanese leadership in the Far East. Although this claim to leadership has been made by many prominent Japanese, from Marquis Okuma to the officials in the present government, it received especial emphasis in 1930 following the friendly addresses in Tokyo of Ambassador Castle, who compared the purpose of Japan to maintain peace in Eastern Asia with the purpose of the United States to maintain peace in the western hemisphere. From the press discussion which followed, as well as from the comments and statements of various public men, it appears that the Japanese people as a whole believe that Japan is entitled to a position of leadership in the Far East which other nations are under obligation to respect. The result of recognizing this position might be largely sentimental and involve no limitation upon the diplomatic action or initiative of other states. But some Japanese have certainly interpreted this right of leadership as implying that other Powers should take no independent action in China without previous consultation with Japan.

The "Right to Live"

The "right to live" doctrine, or the right to economic expansion, is interwoven with the political ideas which make up the Japanese Monroe Doctrine. When the Japanese apply the principle to Manchuria they call it the "life line" doctrine, since they regard the resources of that region as necessary for the economic life of their country. In discussing these needs, the great majority of Japanese statesmen and writers have for years insisted that they have no territorial ambitions. Yet many of them also state that Japan must expand. The expansion which apparently the majority desire is an expansion of economic and political control, without the extension of Japanese sovereignty. This economic expansion, in the view of Japanese liberals, including the Shidehara school of politics, involves no aggression and aims only at close economic coöperation between Japan and China, an economic entente brought about by friendly mutual agreement. The "right to live" doctrine, however, as now presented, demands more than this; it claims the right to share in the development and use of the natural resources of China, particularly in Manchuria, whether China gives her consent or not. This claim is based, in Mr. Matsuoka's words, upon the "legitimate rights of a nation which is compelled to find an outlet somewhere." A former Premier of Japan, Mr. T. Hara, expressed this idea in 1921 by an unusual interpretation of the Open Door: "By 'open door' I do not mean a complete throwing down of national boundary stones. What I have in mind is the removal of the economic insecurity of some peoples by extending to them the opportunity for free access to the world's resources, eliminating other artificial economic barriers, and adjusting as much as possible the inequality arising from the earlier discrimination of nature and of history." Dr. Y. Takaki, Professor in the Tokyo Imperial University, a particularly able and fair interpreter of Japanese-American relations, has recently written, in explanation of the current Japanese point of view, that the idea of an economic bloc uniting Japan and Manchukuo is "a *sine qua non* of the 'Japanese Monroe Doctrine.'" General Sadao Araki, the present Minister of War and the intellectual leader of the elements now in control in Japan, has recently stated that, since "mankind has the right to live upon the earth," no country with abundant resources has a right to deny these to another country which is overcrowded and is insufficiently endowed by nature.

From this survey it is evident that the Japanese Monroe Doctrine contains a number of different political principles. The precise meaning of any one of them, or of the general and inclusive Doctrine itself, cannot be stated exactly; no official definitions have been made. The content in each case must be judged by the statements of the political leaders and the writers who appear to present the dominant Japanese thought, and by the action of the Japanese authorities. But at least it is clear that the Japanese Government has a Japanese Monroe Doctrine for the Far East, and that it claims a position for Japan which it regards in a general way as comparable to that occupied by the United States in the American hemisphere.

The Two Doctrines Compared

In fact, however, there is only a slight similarity between the Japanese and the American Monroe Doctrines. The American Doctrine, as officially defined, is solely a policy of self-defense. It is limited to expressing the opposition of the United States to any non-American state seizing territory or political control in this hemisphere. It does not claim special interests, hegemony, or economic privileges. The Japanese Doctrine, to be sure, does contain this same principle of self-defense, for it admittedly opposes territorial or political encroachments by non-Asiatic powers. But this political principle is merely a small part of the Japanese Doctrine.

It is really the Caribbean policy of the United States which the Japanese have in mind when they speak of the American Monroe Doctrine. Their references are all to the relations of the United States to Mexico, Cuba, Panama and Nicaragua. The Caribbean policy was first officially differentiated from the Monroe Doctrine by Secretary of State Hughes in 1923. But from the beginning of our history the American people have felt both a greater interest in, and a greater responsibility for, the Latin American republics in this region than for those more distantly situated.

Between the Japanese Monroe Doctrine and the American Caribbean policy there are both similarities and differences. There is a certain similarity between the general situation of Japan in relation to Manchuria and China and of the United States in relation to Mexico and the countries of the Caribbean. Both the United States and Japan are strong Powers facing countries which are weak in political organization and military strength and which are torn by frequent civil war. Both are capitalistic and industrialized, in contrast with their neighboring lands which are essentially agricultural. Both have shown administrative and organizing ability of a high order. Both have national interests, strategic and commercial, which they regard as vital — the United States, the Panama Canal; Japan, the South Manchuria Railway. Both have very large investments: the United States approximately $3,293,000,000 (1929) in Mexico and the republics of the Caribbean (not including Venezuela or Colombia); Japan between $800,000,000 and $1,000,000,000 (the yen reckoned at par) in Manchuria.

In view of these factors, the United States and Japan have developed policies which have certain points of likeness. Both are determined to prevent foreign aggression or control in the respective regions in which they are especially interested. Both have announced that they feel a measure of responsibility for a minimum degree of peace and order — a responsibility which other Powers have appeared to recognize in the case of the

United States, but have not recognized in the case of Japan. Both propose to give reasonable and necessary protection to their vested interests and to their nationals and their property. And both have used military force from time to time to carry out their policies.

The Japanese insist that their military action in Korea and in Manchuria and northern China has also been similar to the military action of the United States in the Caribbean. They maintain that they have merely been applying the "police power doctrine" of President Theodore Roosevelt. They claim that in overthrowing the Chinese Government in Manchuria, Japan was abating a neighborhood nuisance, as the United States did when it overthrew the Spanish Government in Cuba; that in recognizing the independence of Manchukuo, they were following the example of the United States in its recognition of Panama; and that their entire course of action in Manchuria has been in line with the American policy in the Caribbean region as manifested by American military interventions in Mexico, Nicaragua, Haiti and the Dominican Republic.

Although there are certain similarities between the respective positions, policies and actions of the United States and Japan there are also decided differences. The position of Japan in Asia in certain important respects fails to parallel that of the United States in America. The United States is a vast territory with a great population *vis-à-vis* a dozen Caribbean republics, each with a relatively small area and population. Japan, on the other hand, is a country with a relatively small area and population *vis-à-vis* the vast territory and great population of China. An attitude which therefore appears natural for the United States to take toward the Caribbean states does not appear naural for Japan to take toward China.

As to the principles contained in the Japanese Monroe Doctrine, some of the most important of them have no counterpart in the American policy. The doctrine of the right to live, the life line, and economic expansion are exclusively Japanese. The United States does not need to use military force to induce the Caribbean republics to permit American capital to find profitable investment. The doors are voluntarily wide open. It does not possess or seek an exclusive economic concession in any Latin American republic; it has never asked that the railroads, the foreign capital, or the mineral resources should be reserved for American citizens. Nor has it demanded that any Latin American country should open its natural resources against its will. Nor do there appear frequent statements in the American press that the status quo in the Caribbean should be changed to the economic and political advantage of the United States.

Military Action

The outstanding instances of American military action in the Caribbean, whatever points of similarity they may have to those of Japan in Manchuria, certainly differ from them in important respects. Even in regard to Panama, where the early recognition by the American Government has been severely criticized both at home and abroad, there were important differences: the United States at least violated no international treaties, and acted in accordance with the desires of the local population. In Cuba the vital fact is that the United States after driving out the Spanish Government at the cost of a war, and then organizing a new administration, turned the island over to the Cubans and withdrew. If the Japanese should follow the same course in Manchuria — if after establishing a new government they should restore the political and economic control of the country to its people, and then withdraw under terms and conditions similar to those under which the United States withdrew from Cuba — world opinion would be much more favorable to Japan. In Mexico, after the United States had felt it necessary to effect a military occupation of Vera Cruz in 1914, it accepted the proffered mediation of Argentina, Brazil and Chile, and, as a consequence, witndrew its troops. The following year, when conditions in Mexico were anarchic, the American Government convened a conference of six Latin American states and agreed with them upon joint action. Later, when the Mexican Government entered upon a definite course of legislation — aimed at Americans — to restrict foreign economic opportunities in Mexico, the United States Government accepted the legislation, provided only that it should not be retroactive or confiscatory.

In contrasting the American Caribbean policy and the Japanese Monroe Doctrine, it is particularly important to consider the essential purposes of the two. On examination they appear fundamentally different. Although not every action taken by the United States in the Caribbean can be completely justified, its policy, nevertheless, particularly in recent years, is clear. In addition to the usual duty to protect American life and property, it aims to help the backward Caribbean countries to establish and maintain conditions of stability and prosperity. The United States does not wish to seize territory, directly or indirectly, or to assume political or economic control. And when it has seemed necessary to intervene in some revolution-tossed land, it has effected the necessary reorganization and has then withdrawn. This has been its history, frequently repeated, in Mexico, Cuba, Nicaragua, Haiti and the Dominican Republic. The policy of the United States is to maintain the status quo in the Caribbean. The Japanese Monroe Doctrine, if it may be judged by the action of the Japanese Government and the statements of many Japanese leaders, has aimed to overthrow the status quo in Manchuria to Japan's own advantage. As for the present Manchurian situation there is no parallel in the Caribbean. To make one, it would be necessary to imagine that the total population of the ten Latin American republics in this region (not including Colombia and Venezuela) was all in northern Mexico. If the United States should make an unjustified military occupation of this imaginary northern Mexico containing 30,000,000 people, overthrow the administration, organize a movement for independence, set up a new government, control it by several hundred American officials and advisers, maintain it by an American army, extend its territory by a military campaign, and take over its railroads and public utilities—then the United States would be doing in the Caribbean essentially what Japan has done in Manchuria, a course of action which many Japanese justify on the basis of their Monroe Doctrine.

Finally, is there any justification whatever for a Japanese Monroe Doctrine? The answer depends upon the definition of that Doctrine. To certain interpretations of it American statesmen have given definite approval. It was President Theodore Roosevelt who suggested to Viscount Kaneko in 1905 that Japan should establish a Japanese Monroe Doctrine for Asia; but he clearly had in mind merely the protection of the Orient from European encroachments. Secretary Bryan in 1915 officially recognized that "territorial contiguity creates special relations between Japan and these territories" (South Manchuria and Eastern Inner Mongolia); and Sectretary Lansing in 1917 recognized that "Japan has special interests in China, particularly in the part to which her possessions are contiguous." Ambassador Castle in 1930 said that "Japan must be and will be the guardian of peace in the Pacific." These and other similar recognitions of certain principles contained in the Japanese Monroe Doctrine were all postulated upon the assumption that the Doctrine would not be used for aggressive purposes.

Japanese Claims Unjustified

For many of the claims which the Japanese are making upon the basis of their Monroe Doctrine there appears to be no adequate justification. They are not entitled to exercise paramount interest in China, or guardianship, or leadership to such a degree as to interfere with the free initiative of other Powers. In some respects, to be sure, Japan has a great superiority over China; but in other respects she is inferior, particularly in potentialities. Should China, with her vast territory, her great populaton, and her able people, develop a stable and reasonably strong government, then the Japanese Monroe Doctrine would at once disappear; for China has the making of a world Power greater than Japan.

There are other Powers also which have close and important relations with China, long antedating those of Japan. They can-not be expected to surrender these and merely follow Japan's leadership. Russia has long been deeply interested in its neighbor to the southeast. Great Britain has far greater investments in China proper than has Japan. The United States also regards itself, in the words of Secretary Stimson, "as one of the leading powers on the Pacific Ocean," and "has rested its policy upon an abiding faith in the future of the people of China." America's long and cordial friendship for China, and her great educational and social services to that country, have given it an important position in the discussion of Chinese problems. In view of the

(*Continued on page 417*)

Sericultural Improvements in China

BY PAUL K. WHANG (汪仲芳)

A REUTERS dispatch from Nanking dated July 10th dealing with China's sericultural improvements stated that the steps undertaken by the National Economic Council in the improvement of sericulture "have already had good and happy results in the Spring of 1933," that Dr. Mari, an Italian sericultural expert of the League of Nations, "has done much toward obtaining good results for the reorganization of the silk industry," that "improved seeds, with common rearing of silkworms till the second age and teaching the peasants modern methods, have obtained the best crop registered within the last thirty years," and that "the crop of native and non-improved seeds in numerous and large zones was more or less a failure" and the loss to the farmers was roughly estimated to be "a figure of at least 100,000 piculs of fresh cocoons with a loss of four million dollars."

In reading the above report presumably circulated by the National Economic Council, one who has watched closely the sericultural conditions of this country for the past two decades has reasons to feel that these statements are too vague and sweeping to be accepted without a grain of salt. Without reflecting upon the credit of Dr. Mari, one wonders if the League expert can accomplish so much in the reorganization of China's silk industry within a short span of few months since his arrival in China last September. Indeed, the Spring cocoon crop of 1933 as a whole is very good in quality, but to say that it is the best crop registered within the last thirty years is a statement which has yet to be confirmed by the figures. It is rather queer that the National Economic Council which has always been very careful in its public statements should give out such vague information regarding a very important branch of the economics of China.

Having no mind to cast a slur upon the officials of the National Economic Council who have taken upon themselves the task of solving various problems of China's rehabilitation and reconstruction, I am of the opinion that the good cocoon harvest of this Spring is not the achievement of any single organ or any individual, but the result of many years' campaigning conducted jointly by sericultural organizations and silk experts. China's sericultural problem is a vast and complicated one, and no single organ or individual can be expected to solve it "with good and happy results" within a short span of a few months. Therefore it is unfair to attribute the present success to the efforts of any organ or individual without in the meantime giving equal recognition to many other organs and individuals who have devoted their time and energy to the rehabilitation of China's silk industry for the past two decades.

Deterioration in Quality of Eggs

According to those silkmen who have been long connected with silk trade, we have been told that Chinese cocoons about twenty-five ago were very good in quality and their yield was less than 500, that is to say, taking less than five piculs of dry cocoons to make one picul of raw silk. But principally due to the unscientific methods of breeding eggs, the quality of cocoons has become gradually deteriorated, and in recent years the yield of native cocoons has come to as low as 700. This rapid deterioration in the quality of cocoons has not only increased the cost of silk production, but also affected the quality of silk. In face of the keen Japanese competition, China's silk exportation has fallen off rapidly. This unhealthy state of affairs has driven Chinese silkmen to realize that the foremost and first problem in the rehabilitation of China's silk industry is to introduce to the farmers the disease-free eggs.

As early as 1918, the International Committee for the Improvement of Sericulture in China was organized by the Foreign Silk Association, the Shanghai Silk Filatures and Cocoon Merchants Guild of Kiangsu, Chekiang and Anhwei Provinces and the French Chamber of Commerce for the purpose of producing and distributing disease-free eggs sheets among the farmers and also educating them as to the value in producing high grade cocoons. This Committee, since its organization, has pioneered the way in introducing disease-free layings to the farmers and has worked indefatigably for the benefit of China's silk industry for the past fifteen years.

Besides, the Sericultural Department of the Nanking University and the Hushukwan Girls' Sericultural School have also contributed much to the production and distribution of disease-free layings. The provincial governments of Kiangsu and Chekiang have likewise established experiment stations to teach the farmers the scientific methods of rearing silkworms. Moreover, there have been many foreign silk experts who have been interested in the future of China's silk trade and have come over to this country of their own accord and at their own expenses for the sole purpose of assisting Chinese silkmen in improving the quality of cocoon and silk productions. Thus individually and collectively, silk experts and organizations have contributed something to this gigantic work of rehabilitating China's silk industry.

Handicapped by the ultra conservatism on the part of the farmers and limited by financial resources, the progress of their work, therefore, must necessarily be slow and disappointing to those who have expected quick results. It is only through perseverance and patience that they have gradually succeeded in overcoming the farmers' prejudice against the disease-free layings. In the meantime, the silkmen and cocoon merchants have also done their parts by distributing the disease-free eggs sheets free among the farmers and paying a premium for the disease-free cocoons. This practice of paying a premium has especially had a stimulating effect upon the cocoon-growers.

Selective Buying

It is paradoxical indeed that in the last few years when the silk trade has been at its worst the annual production of disease-free eggs has very much increased. This is due to the fact that at the time of business depression when the silk filatures have been suspended in a wholesale fashion, a few silkmen and cocoon merchants who have gone to the cocoon-producing districts to buy cocoons have been very particular about the quality of cocoons and in many cases rejected all the cocoons except those of disease-free eggs. This selective buying has compelled the farmers to use the disease-free eggs and improve their methods of rearing. Therefore so far as the cocoon industry is concerned, the present business depression seems to be a blessing in disguise.

The production of disease-free cocoons this Spring is unusually big, and therefore the crop is considered to be very good. In some districts at Wusih, it has been reported that about 90% of cocoon production is of disease-free variety. Their quality is good and yield, under 500. Although the crop of native and non-improved cocoons in numerous and large zones is estimated "to be a figure of at least 100,000 piculs," it is expected that the next year's production of disease-free cocoons will be even bigger than that of this year, inasmuch as the merits of disease-free eggs have already been known to the farmers as a result of many years of educational campaigning.

Scientific Methods Needed

Thus our many years of painstaking efforts have been finally crowned with success. In order to improve the quality of our cocoons, we have yet to introduce to our farmers the scientific methods of rearing silkworms. It must be noted that disease-free eggs will not breed healthy and strong worms, unless they are brought up to the mature age in a sanitary condition and by scientific means. Here, again, we have to contend with the difficulties in overcoming the farmers' prejudice against anything new and unknown to them. It is hoped that the National Economic Council with the assistance of Dr. Mari will be able to do something along this line in the near future.

The improvement of the quality of our cocoons alone will not be enough to rehabilitate our silk industry. In the meantime, our silkmen must be encouraged to build up new filatures equipped with up-to-date machinery so as to enable them to improve the quality of their products. In order to regain our lost market, we must strive to improve the quality of our products to such a point that it will be equal, if not superior, to that of our competitors. We have already achieved some success in bettering the quality of our cocoons, but we have still a long way to go before we can rehabilitate our silk industry.

Shanghai, August 1, 1933.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

The Lopsided Development of Commerce Between Texas Ports and China

BY OUANG TSIN-LON

TEXAS claims the first place among the states of the United States in exports to foreign countries, now having displaced New York. The total value of exports from Texas to all foreign countries in 1932 was $299,650,783; New York's total for the same year was $248,111,439; California, third with $149,200,991. The second largest city of the south is in Texas. (Houston) The state capitol at Austin is second in size only to the National capitol at Washington, D. C. The leading ports of Texas are Galveston, Houston, Port Arthur, and Corpus Christi, the first two being the most important. Galveston is a deep water old port, while Houston is a "man-made" harbor, and is rapidly increasing in importance.

Exports to China

Among the American goods exported to China from Texas ports, nine-tenth are raw cotton. The following table showing the total amount of export from Houston to China will prove this fact.

For the calendar year 1931:

Commodities	*Units*	*Tons (short)*	*Value*
Cotton	271,656 Bales	70,517.4	$11,919,472
Carbonblack	1,427 Cases	180.1	17,598
Wax	1,494 Cases	158.4	8,649
Rice	250 Bbls.	62.4	7,071
Sulphur	2,896 Bags	205.9	6,951
Oil, lubricating	125 Bbls.	29.6	1,184
General cargo		.3	250
Total		71,354.1	$11,961,175

Commodities	*Units*	*Tons (short)*	*Value*
Cotton	146,388 Bales	38,254.4	$ 5,657,343
Carbonblack	3,348 Cases	423.5	32,048
Sulphur	1,400 Bags	126.7	5,020
Wax	263 Bbls.	28.3	2,830
Machinery	18 Cases	7.6	2,781
Oil, lubricating	50 Bbls.	11.6	680
Scrap Brass	5 Bbls.	1.5	300
Scrap Iron	Bulk	27.7	277
Scrap Iron	Bbls.	27.7	277
Furniture	17 Crts.	1.1	125
Steel, Misel.	20 Bdls.	5.0	60
Total		38,913.2	$ 5,699,564

Previous to 1921, the cotton export from Texas has been very small. At that time, the only port that exported goods to China was Galveston. For the cotton season of 1921, less than 5000 bales of cotton was shipped to China. (the total U.S. cotton exported to China for the calendar year 1921 was 150,000 bales) The first shipment of cotton sent to China from Houston was in 1924. The total amount for the 1924 season shipped from Houston was only 200 bales.

But, there has been a great change since then; for the 1931 season, the total amount of cotton shipped from Houston and Galveston to China was over 500,000 bales, and if the other small ports of Texas were included, it would be about 600,000 bales. During the calendar year 1931, the total American cotton shipped to China was only 879,000 bales. Thus, it can be seen, that about two-thirds of the American cotton shipped to China are from the Texas ports.

The rapid increase in the amount of cotton shipped from the Texas ports to China can be seen in the following tables.

(1) Total American cotton shipped to China
(for calendar year Jan. 1st to Dec. 31st)

Year	*Units*	*Value*
1921	152,896 Bales	$10,051,175
1922	35,568 ,,	3,519,800
1923	27,020 ,,	4,124,580
1924	31,025 ,,	4,311,312
1925	54,733 ,,	6,292,622
1926	172,031 ,,	13,276,186
1927	240,355 ,,	18,877,264
1928	167,632 ,,	17,452,758
1929	229,564 ,,	22,761,514
1930	319,217 ,,	21,428,793
1931	879,695 ,,	37,784,340

(2) Total cotton shipped to China from Houston and Galveston (for cotton season from Aug. 1st to July 30th).

Season	*From Galveston*	*From Houston*
1921	4,911 Bales	none
1922	13,458 ,,	none
1923	9,050 ,,	none
1924	12,840 ,,	200 Bales
1925	15,275 ,,	6,850 ,,
1926	10,575 ,,	23,008 ,,
1927	37,949 ,,	102,696 ,,
1928	43,639 ,,	46,760 ,,
1929	78,827 ,,	94,217 ,,
1930	28,327 ,,	83,175 ,,
1931	63,564 ,,	121,724 ,,
1932	226,397 ,,	297,882 ,,

Texas Ports Claim First Place in Exports to China

The ports of Texas at present claim the first place on export to China. Four customs districts are in Texas. They are: 1. Galveston (includes port of Houston) 2. Sabine (headquarters at port of Port Arthur) 3. San Antonio (includes port of Corpus Christi) 4. El Paso (an interior customs district that borders Mexico, and has no export to China.) Complete statistics according to commodities, groups, and countries for the year 1932 has not yet been released, therefore I will use the figures of 1931 as a comparison.

1. Galveston customs district	$17,985,877
2. Sabine customs district	2,148,229
3. San Antonio customs district	1,415,405
4. El Paso customs district	none

The total for the four districts is $21,549,511, which is more than one-fifth of the total for the entire United States. ($97,923,229 is total for U.S.)

Figures of other customs districts of the U.S. are as follows:

Virginia (Hdqr. at Norfolk)	$15,322,443
New York	10,482,253
Oregon (Hdqr. at Portland)	9,188,383
Los Angeles	8,286,126
San Francisco	6,837,584
Washington (Hdqr. at Seattle)	6,646,112
Georgia (Hdqr. at Savannah)	5,361,031
New Orleans	5,259,088
Mobile	4,530,529
Maryland (Hdqr. at Baltimore)	1,046,939
Philadelphia	1,006,687
Massachusetts (Hdqr. at Boston)	552,944

According to the above figures, only San Francisco and Los Angeles are in the same state. The total for the state of California is only $15,270,400 (including $146,790 for the San Diego customs district) and is much less than those of the state of Texas. The ports of New York total only $10,492,226 (including $10,013 for Buffalo customs district) which is only one-half of that for Texas. Thus, the claim of the Texas ports for the first place in exports to China is undisputed.

Also, it will be noted, that there was an unsual increase in cotton exports to China for 1931. The reason for this increase are: (1) the spring flood in China caused a great loss in the domestic cotton crop (2) shortage of the Indian cotton crop and (3) the low price of American cotton. The drop in the price of American cotton can be seen in the following comparison. In 1930, a total of 319,217 bales of cotton was shipped to China. The value was $21,428,793. In 1931, 879,665 bales of cotton were shipped, yet the value was only $37,784,340. There is quite a difference between the two values. (Export of cotton for 1932 and 1933 to China from the United States has shown a considerable decrease, and has been reflected in the amount of cotton exported from Texas. This is no doubt due to the increase in the Chinese domestic crop, but Chinese cotton spinners are demanding better grades of cotton for their use, therefore there is still a possibility for greater exports of American cotton).

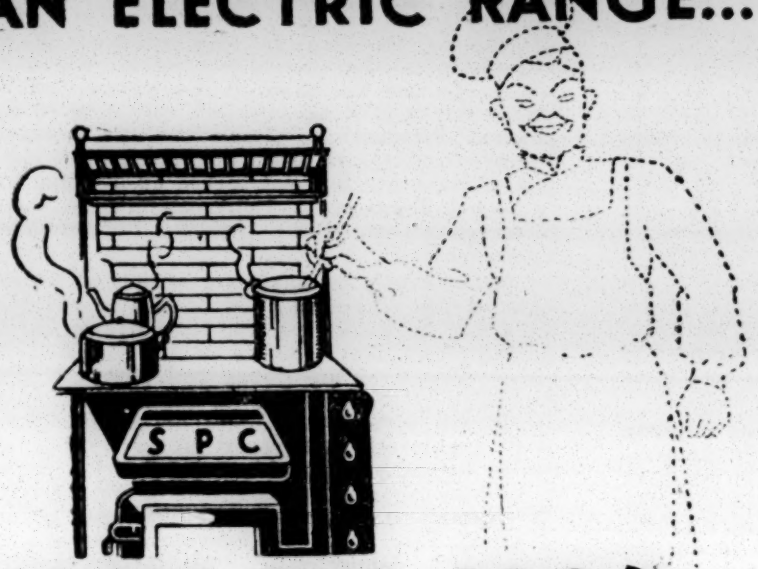
Leading Texas Cotton Shipper to China

Another reason for the increase in cotton trade with China may be due to the efforts of the cotton shippers of Texas. The Anderson, Clayton & Co., which is the largest American cotton firm, if not the world's largest, has its headquarter in Houston, Texas. They have a branch in Shanghai. W. L. Clayton of that firm has been acclaimed as the "cotton king" by the press.

Other cotton firms with American headquarters in Texas, include the Nippon Menka Kabushiki Kaisha at Dallas, the Toyo Menka Kaisha at Dallas, and the Gosho Kabushiki Kaisha at Fort Worth. Branches of these firms are found in other Texas cities and throughout the United States. These firms also have branches in China.

Of the total amount of cotton shipped from Texas, it is estimated that about one-half of the amount was shipped by the Anderson, Clayton company. The major

AN ELECTRIC RANGE...



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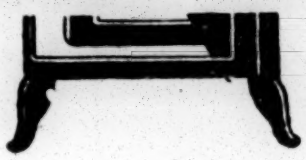

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part of the other half was shipped by the three Japanese firms. A small amount is shipped by small firms.

Texas Imports a Small Amount of Chinese Goods

The amount of trade between China and the United States has shown some variation during the past few years. In 1930, U.S. exports to China including Hongkong and Kwantung was $112,997,000. It increased to 114,480,000 in 1931, but decreased to $67,053,000 in 1932. Imports of Chinese goods to the United States including goods coming from Hongkong and Kwantung was $113,275,000 for 1930. It decreased to $73,811,000 in 1931 and to $31,358,000 in 1932. The figures for China alone are: Exports to China 1930 $89,605,083 and 1931 $97,923,229. Imports from China 1930 $101,464,480 and 1931 $66,759,174.

Most of the goods imported from China enters the United States through the ports of New York. Approximately two-thirds of the total imports come in through those ports. (Another important eastern port in trade with China is Norfolk. Although it is second in exports to China with a total of $15,322,443 for 1931, the goods imported from China thru the port are of a small quantity. The total imports for the year 1931 were only $64,249). The ports of the Pacific coast are second with less than one-third of the total. Imports through the ports of the Gulf of Mexico are less than a million dollars, with only a small part coming in through the ports of Texas. The following table will show the exact amount of Chinese goods that came in through the Texas ports.

1931 Calendar year Customs district	*from China*	*from Hongkong*	*from Kwantung*
Galveston	$ 193,269	$ 7,500	$ 14,643
San Antonio	2,852	32	none
Sabine	none	none	none
El Paso	932	none	none

The total of imports according to the above table, was less than $200,000 for 1931, but the total exports from Texas ports to China for the same year was over $20,0000,000. In other words, the exports are over one hundred times the amount of imports. That is the reason why I say it is a lopsided development!

Galveston, Texas, June 12, 1933.

Japanese Amazon Makes False Claim She Once Was Secretary to Sun Fo

Miss Yoshiko Kawashima, Japanese adventuress, who has just returned to Kobe following many months of activities in Manchukuo, was interviewed in the *Osaka Mainichi* on July 14, in the course of which she claimed that before going to Manchuria she served for a year and a half as secretary to Sun Fo, now head of the Nanking Legislative Yuan. Sun Fo, when shown the clipping, said the woman's claim was a lie and that no woman with a Japanese name ever was his secretary. The report stated she is the adopted daughter of Major-General Shun Tada who is attached to the Japanese military headquarters in Manchuria. She claimed, according to the interview in the Osaka newspaper, that she helped to reorganize and later commanded some 30,000 of Gen. Tang Yu-lin's former troops which are now serving Manchukuo on the Jehol border. She also claimed to have helped in the pacification of the Barga region of North Manchuria in the course of which she injured her right ear in making a parachute jump from an army airplane. She wielded a sword in the Jehol campaign and carries a bullet in her side which she received from a Chinese rifle, according to her story.

Unification by Reconstruction

BY WANG CHING-WEI
President of the Executive Yuan
(People's Tribune, July 26)

IN June, 1931, when at Canton, I first mooted the proposition of "unification by reconstruction," which, however, aroused no reaction then. A casual reference to the same proposition I made lately at Nanking has now elicited serious discussion by the *Morning Post* (晨報) and the *Central China Daily News* (中華日報) at Shanghai. This is indeed a matter for gratification. I have therefore deemed it fit to write a few words in further elucidation of my original proposition.

Is it feasible to attain unification through reconstruction? Granted the need for reconstruction, the question remains whether it is possible to achieve unification by reconstruction. In other words, is there any possibility of carrying out reconstruction before unification?

The opposite to unity is disintegration, and military rivalry. Besides rivalry with the Central Government, there is the mutual rivalry between the various localities as well as that between two or more influences in the one and the same locality. So long as this rivalry exists, so long will the opposing parties be engaged in an unceasing race for armament expansion. The moment "A" adds one soldier or one rifle, "B" hastens to follow suit. Thus, even with the complete exhaustion of the sinews of the people and the revenues of the coffers there would not be sufficient to provide for armament expansion; what surplus resources can be then found for reconstruction purposes. At most, only an infinitesimal part of the expenditures for armament expansion will be used for such purposes, more or less as a sort of adornment, to deceive both themselves and others. Is it not thus as hopeless to seek unification through reconstruction as it is to fish with a bait-less fishing rod?

The above are what I assume to be the possible arguments against my proposition of "unification by reconstruction," to which my answer is as follows:—

Where rivalry exists, the party which devotes itself to reconstruction triumphs. In other words, that which neglects reconstruction, though capable of unification, is doomed to ultimate failure. That is to say, that which constitutes an obstacle in the way of unification is doomed to be removed.

Suppose two rival force "A" and "B"; "A" paying attention to reconstruction and "B" negelcting it. Since "A" accords due attention to reconstruction, he will naturally devote the same attention to the development of the people's productive powers, mitigation of the people's sufferings and removal of their various shackles. His first step will naturally be to build up a clean political administration by preventing officials from peculating public funds, from degenerating into rapacity and from sucking the blood sinews of the people to batten themselves. In military affairs, he will enforce strict military discipline, prevent the troops from molesting the people and refrain from otherwise victimizing the people. The life and property of the people will thus enjoy due protection. In other words, the people may feel secure not merely about their necks but also about their purses.

With these pre-requisite conditions secured, he will be in a position to proceed to the second step. As a result of agricultural reconstruction, the productive powers of the farming population will be developed and their purchasing powers increased. Industry and commerce will also flourish and make rapid progress until full-fledged development is achieved. Under such circumstances, with the consolidation of the people's strength, the national strength will also become automatically consolidated; and with the consolidation of the national strength, the armed force which is part of the national strength will also become consolidated.

On the other hand, "B" having neglected reconstruction, will naturally concentrate his whole attention upon the expansion of armaments. To pursue a policy of armament expansion in disregard of development of the people's strength will produce the inevitable consequence that in the first period, all the resources of the people will be exhausted for military purposes and that, in the second period, with the sources of the people's livelihood completely drained, the bulwark upon which the armament must rely for its support will collapse to pieces.

In case of a conflict between "A" and "B," who will ultimately be the victor and who, the vanquished?

In advocating unification by reconstruction, I do not deny the imperative necessity of consolidating the military force. A strong armed force is in fact an indispensable condition for the existence of the State. Especially in the present-day world, where the weak always become the prey of the strong and right and justice exists, if it exists at all, only between two strong powers. Between the strong and the weak, the term becomes veritably an object of contempt and ridicule. To talk of right which is not backed up by force is not only futile but disgraceful. There can thus be absolutely no disagreement as to the necessity of consolidating the armed force.

What I wish to emphasize is that we must not lose sight of the real foundation of this armed force. For the armed force does not drop from Heaven but is derived entirely from the resources of the people. Unless the people themselves are strong and powerful, there is no possibility of consolidating the armed force.

It will perhaps be pointed out to me, in refutation of my arguments, that reconstruction is not a task which can be accomplished within a brief time. Suppose "A" to be diverting part of his efforts to reconstruction while "B" concentrates his whole attention upon the expansion of armaments. With his inferior armaments, "A" will thus run the danger of being overthrown by "B" at any moment. There is thus the possibility that before reconstructions is completed, he has already been eliminated.

This would however be exaggerating the importance of the armed force and under-rating that of the people's productive powers. Even considered purely from the standpoint of the armed force, this amounts also to overemphasizing the quantity rather than the quality of the military force.

It must be realized that modern armed force is largely the fruit of scientific development and rational social organization. Not only in its material aspect does it require a developed commerce and industry in order to produce efficient and deadly armed implements, but it needs especially, in its spiritual side (morale), intensive moral and disciplinary training in order to make the force united like one man and invincible wherever it goes. This can never be attained by abandoning reconstruction and concentrating all efforts upon the expansion of armaments.

To ignore this truism and devote all energy to the expansion of armaments will lead therefore to the result that the more the armaments are expanded, the more impoverished become the people, and that the poverty of the people will inevitably result in the collapse of the military forces. Thus, if a colossal force of starving soldiers, led by a few well-fed and over-stuffed generals and surrounded by an impoverished and famished population, were opposed to an army backed up by the well-conserved energy of the people; it is almost certain that, great as may be the disparity in numerical strength, the former will hardly find it possible to contend with the overwhelming odds presented by the estrangement of the people.

This accounts for the fact that since the establishment of the Republic, the majority of the militarists, who had large forces at their disposal, have never been able to stage a come-back, once they have collapsed to pieces.

Thus, it is obvious that to attain unification, the only way lies in reconstruction and that whoever is incapable of reconstruction is also incapable of unification. In fact, we may say that whoever is unable to carry out reconstruction would not be able to exist by himself. If it is impossible even to continue his existence, how can he expect to achieve unification?

The present situation in the country gives indeed cause for lamentation. But we should lament more our failure to carry out reconstruction than our failure to achieve unification.

Since the establishment of the Republic, the more we sought to achieve unification, the more disintegrated has the country become. The causes of this are extremely complicated, but it is clear that the most important one lies in the fact that neither side has devoted any attention to reconstruction. There might have been the avowed determination to carry out reconstruction; there has certainly been much propaganda about reconstruction, but

there has never any concrete fact of reconstruction. Had there been such concrete reconstruction work, the poverty of the people and the State would not have reached such a degree as the present.

The fact that the fortunes of the people have sunk to such a low ebb shows however that no distinction could be drawn as to which of the two sides was right, and which wrong; which is the better, and which the less preferable. The people had thus no reason to show their preference either for the one or the other; with the paradoxical result that both sides enjoyed the support of the people.

If one side had devoted itself to reconstruction and the other not, then people, out of consideration of their own vital interests, would assuredly have given their support to that which devoted itself to reconstruction.

Thus, in spite of the apparent co-existence of rival influences, the result will be either of the following:—

1. Where both sides neglect reconstruction and are concerned only with competition by armed force—although, for the time-being, one may get the better of the other—in the long run, both are doomed to failure.

2. Where one of the two sides devotes its attention to reconstruction and the other does not, the former will emerge triumphant, with the latter doomed to ultimate failure.

3. Where both sides devote their attention to reconstruction, this would indeed be most desirable. They would be engaged in a competition for the achievements of reconstruction; any progress made by one side will stimulate the other to emulate or surpass it. This is a beneficial, as it is a most proper, competition; and the result will be that the economic relations will be knit closer and closer together and, as a result of division of labor, each will find itself inseparable from the other. Both will thus voluntarily abandon their attitude of rivalry or antagonism and will be mutually desirous of achieving unification.

The above gives the grounds for my proposition of unification by reconstruction, which represents my only hope for the future of the country.

How the Japanese Are Poisoning the Chinese with Heroin

E. W. Allen last week contributed to the *China Press* (Shanghai) details of how the Chinese people are being poisoned wholesale by the so-called merchants of Japan. The Japanese Concession in Tientsin is the center for nearly all the trade in this nefarious business in that city. The way these so-called merchants of Nippon ensnare the Chinese is by giving them heroin on a pledge of clothes or jewelry when they are short of cash.

In Peiping immediately behind the old Metropole Hotel there is a large two-story building which is used for drug smoking. The proprietor of this house is a Korean; he told Mr. Allen that at least 400 Chinese buy and use heroin in his place. In Tsinan, Shantung, the Japanese population is about 5,000 or more, and 90 per cent of those who call themselves merchants, are really narcotic peddlers. One of the Japanese dealers stated that the consular police know all the Japanese who sell heroin but wink at the business. In nearly every town and village along the Tsinan-Tsingtao Railway there are Japanese, and 99 per cent of them are narcotic peddlers forcing the Chinese to smoke and poison themselves.

Nearly all the heroin in North China is smuggled from Dairen via Tientsin and Tsingtao. According to reliable information the Japanese have several factories in Dairen and are selling millions of dollars worth of heroin to China every month. Heroin is by far more deadly than opium, and once a person acquires the habit of using heroin it is very difficult to stop it.

Final Silver Agreement Signed at London Conference

The last of the silver agreements growing out of the World Economic Conference, was signed July 26 when Australia and the United States delegates put their names to the special Five-Power contract providing for the aunual purchase of silver over and above the purchases in the Nine-Power agreement. If ratified it will bind the five signatory nations to the following purchases: United States, 24,421,410 ounces; Mexico, 7,159,108 ounces; Canada, 1,671,802 ounces; Peru, 1,095,325 ounces and Australia, 652,355 ounces.

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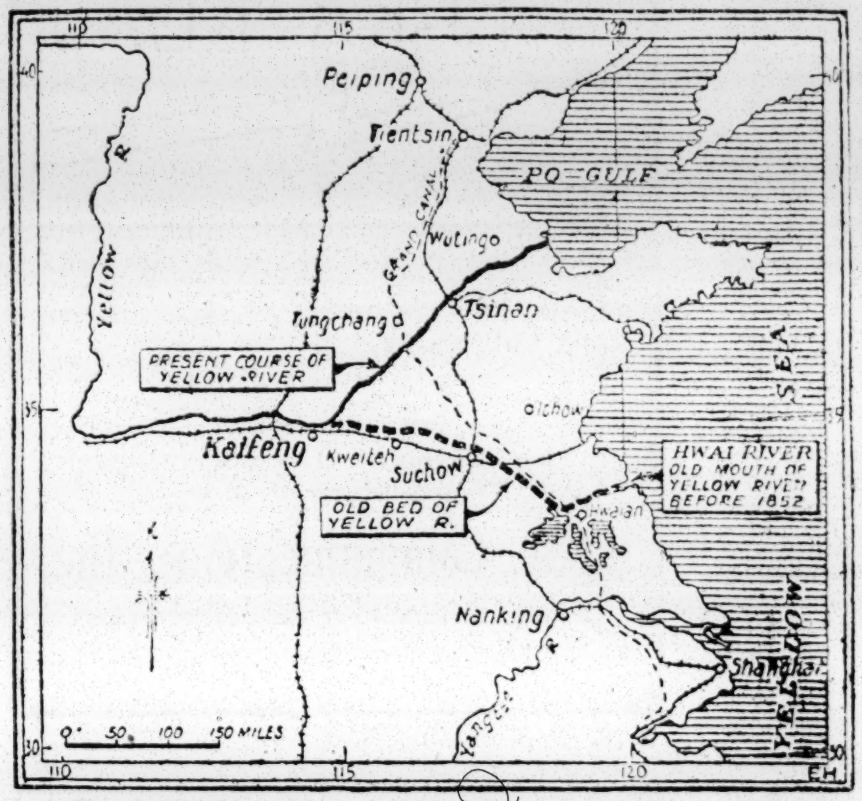
Yellow River Threatens Return to Ancient Channel

The Yellow River, referred to generally in geographies by its Chinese name of Hwang Ho (frequently written Hoang Ho, and as a result mispronounced) is according to latest reports likely to be flooded. One of the possiblities is that it may break through the dikes at Kaifeng and again return to its old course to the south. If the stream again reverts to its southern course, it will cause appalling devastation in the provinces of Honan and Anhui and in portions of Shantung and Kiangsu.



The sketch above shows the old and present courses of the Yellow River (Hwang Ho). If the waters of "Scourge of the Sons of Han" return to its old channel, to the south, which it left eighty-one years ago, the river would once more empty into the Yellow Sea, 400 miles south of its present mouth on the Gulf of Po.

The problem of confining the Yellow River, which is now threatening to return to its old channel, is one of the principal engineering difficulties in China. The cost of maintaining the extensive dikes has run into millions of dollars a year. The allowances made by the government, even in the present difficult times, total about $1,000,000. When a breach occurs, it costs several million dollars to repair it.

For the first 1,750 miles of its 2,700-mile course the Yellow River is confined between mountain masses. It is only after the river emerges into the Great Plain that its course becomes uncertain. Because of extreme conditions of drought and torrential rains in the mountain districts where the river has its origin, flood conditions develop very rapidly.

Dikes have been built far enough apart to provide a flood channel. When the river is low, this channel becomes partially filled with silt, and on several occasions the waters have surmounted the dikes and broken away from the channel entirely.

The Hwang Ho is the second largest river in China, being exceeded in size only by the Yangtzse. It is one of the most extraordinary rivers in the world. Its disastrous flooding has cost the Chinese millions in wealth through the destruction of homes and farm lands, and because of this it has earned such titles as "China's Sorrow," "The Ungovernable" and "Scourge of the Sons of Han."

If a new break near Kaifeng results in a swing back to the old southern course, which strikes almost directly eastward toward the Yellow Sea, nearly 300 miles of the lower portion of the stream, as it has existed for eighty years, will be abandoned. Shantung will then be passed by entirely by the Hwang Ho. To-day, as a recent National Geographic Society statement pointed out, it is the constant menace to millions of people who live in what may be its next river bed. It has been confined to its recent course by huge dikes that tower above a million homes.

With the continuous rise of the Yellow River, the watermarks at various points in Shantung are fast approaching the record heights of last year. At Kwanchwang the waters have exceeded last year's record. At Lokow, on the opposite bank, the watermark was 29.99 metres July 27, which was only 0.2 metres below last year's record.

In view of serious flood conditions in several districts of Hupeh province, General Chang Chun has ordered that immediate relief be dispensed to the refugees at Wuchang, Kichun, Kwangchi, Changyang, Chikiang, Tangyang, Hsiaokan and Laifeng.

Extensive damage has been done to the main channels of the Chinwei Irrigation Canal north of the Wei River in Shensi, according to reports received from the Shensi Provincial Conservancy Bureau. The damage was caused by torrential rains last week.

"People's Tribune" Accuses "Reuter" of Untruthful Reporting

An editorial entitled "A Breach of Professional Ethics" in the current issue of the *People's Tribune*, charges that *Reuter's Agency* omitted certain important statements made by President Wang Ching-wei in the course of a speech on the unification of the country through reconstruction at the weekly memorial meeting July 19, and besides ascribed to President Wang statements and assertions which the latter had never made. The *People's Tribune* comments that the case of *Reuters* is a test case and that either the foreign journalistic community should take action, or it should cease moralizing about the liberty of the press. An editorial from the *People's Tribune* dated August 1 by Wang Ching-wei, entitled "Unification by Recoustruction" appears in this week's issue of *The Review*.

Operator of a Lottery Is Shot Down by Assassins

Zao Van-ping, an alleged operator of a Hua Wei lottery in Rue Wagner, French Concession, was murdered on the night of July 28 while proceeding in a ricsha near his den. He was set on by three armed men one of whom was shot dead by the police who pursued the gang; the two others escaped. The finger-print department of the French police identified the one of the three assailants who had been shot down as Lee Tseu-kong, who had served several prison sentences for petty offenses in the French Concession.

Japanese Invents Machine Gun that Uses No Powder

A soundless and powderless machine-gun capable of firing between 10,000 and 60,000 rounds of ammunition per minute, in addition to possessing various other advantages over models now in use, is claimed to have been invented by Yoshitaro Shimizu, who owns a scientific laboratory in Tokyo. The projecting force of Mr. Shimizu's gun is the centrifugal energy of a revolving disc, which is set in motion at a great speed by a small gasoline engine. One of the principal objections to existing types, the fact that overheating of the barrel prevents them from being used over a long stretch of time, is entirely eliminated in the new gun, it is stated, because gunpowder is not used, and also because of this fact the weapon is able to fire an almost incomparable number of shells per minute, up to the usual 6,000, or 7,000 at best, of the common type. The firing range and destructive force of the new model also are claimed to be far superior to any existing gun of its kind.

SIGNIFICANCE OF JAPAN'S CLAIM TO AN ASIATIC MONROE DOCTRINE

(*Continued from page 409*)

historical position of these Powers, there is no justification for a demand that Japan alone should be recognized as the guardian of China.

A Monroe Doctrine for Eastern Asia, such as a liberal Japanese Government would probably formulate, one in harmony with the spirit of Japan as revealed in the period following the Washington Conference, might well receive the recognition of other Powers. The happiest solution of the Far Eastern problem, as the Lytton Report has pointed out, would be a cordial cooperation between China and Japan, based upon mutual agreement and good will. But a Japanese Monroe Doctrine exemplified by the military advance through Manchuria and Jehol, in the face of a hostile China, without regard to the position of other Powers, and in violation of international treaties, is difficult to justify. In fact, the present issue between Japan and the other states of the world boils down in large measure to Japan's demand that she be granted a free hand in Manchuria and to the refusal of the League of Nations and the United States to accept the full consequences of what the Japanese call their Monroe Doctrine.

National State Lottery Holds Drawing

The drawing of the National State Lottery Administration was held at the Canidrome, French Concession, July 31. The drawings were officially opened by Chang Shou-yung, advisor to the Ministry of Finance and acting executive chairman of the National State Lottery Commission, who, in a short address, expressed satisfaction at the popular support and declared that more than $2,500,000 had been deposited with the Central Bank of China, the Bank of China and the Bank of Communication to be claimed by winners.

The original first prize number 226622 came out at the 19th round, officials got busy checking unsold tickets; they discovered this to be a number among 2,000 tickets returned by agents in Peiping just a few days previously. Therefore a re-draw took place in the evening. The first number to come out was 314034, which was found also to be among the unsold tickets. There was, therefore, still another draw when the number making its appearance was 299287. This was declared the winner of a special prize of the same value as the first prize.

The leading numbers drawn and the amounts they represent follow, they representing respectively one first prize, two second prizes; four third prizes and ten fourth prizes.

1.	299287—wins $500,000	4.	044467—wins $10,000
2.	169614—wins $100,000		449106—wins $10,000
	263867—wins $100,000		446522—wins $10,000
3.	148009—wins $ 50,000		432473—wins $10,000
	331224—wins $ 50,000		115565—wins $10,000
	268273—wins $ 50,000		433797—wins $10,000
	242121—wins $ 50,000		108499—wins $10,000
4.	356991—wins $ 10,000		384830—wins $10,000
	499344—wins $ 10,000		

Philippines Will Probably Reject Independence Bill

Recent telegrams from Manila indicate that the Philippines Independence Bill, adopted by the U.S. Congress after more than ten years of bitter party wrangling, will be rejected by the Islands themselves. Rejection of the bill as it was passed may mean the delay of independence for decades and many advocates of independence in the United States have expressed themselves to that effect. The Senate President, Manuel Quezon, who has opposed the independence bill as inadequate and unfair, July 31 won every point in his contest with Senator Sergio Osmena, floor leader of the Senate. Mr. Quezon favors requesting a better bill and, if that attempt is lost, the complete rejection of the present measure. Senator Osmena, who for years campaigned in Washington for the measure, resigned as floor leader of the Independencia. The Senate by a vote of sixteen to five refused to accept Mr. Quezon's resignation as presiding officer and, at the same time, declared its confidence in his leadership. However by the overwhelming vote of sixteen to two, it accepted Senator Osmena's resignation as floor leader and President pro tem.

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The Christian General and the Chahar Situation

To the Editor, *The China Weekly Review*:—

THE Tangku Armistice Agreement established on May 31 last between the Chinese military authorities in the north and the Japanese Kwantung Army marked the commencement of another serious situation along the Great Wall as General Feng Yu-hsiang, otherwise known as the Christian General, suddenly came out from his retirement and began to recruit the unlawful elements scattered in the province of Chahar to the banner of the People's Anti-Japanese Allied Army which he has set up in Kalgan and to which he has been the self-appointed Commander-in-Chief. The situation at first seemed to be quite an opportunity for him to regain power as a regional warlord in defiance of the Central Government, as the anti-Japanese sentiment of the public was ever running very high and was sure to give him sympathy. But observers here were inclined to doubt his ability to stand the Japanese pressure and to finance the bulk of his followers with such scanty resources which Chahar, those districts under the occupation of Japanese and Manchukuo troops not included, can yield. Feng himself could not but well understand this situation, but he hoped however that a helpful hand might be more than willingly rendered him by the South Political Council under Messrs. Hu Han-min and Shao Fu-chen, and perhaps some of his old lieutenants would follow his suit in revolt against Nanking. The encouragement from the south came but never substantialized, and two of his former officers, Generals Sung Che-yuan and Sun Tien-ying, respectively Commanders of the 29th and the 41st Armies, flatly refused to join his campaign in a counter circular telegram after his had reached them. This was quite beyond the expectation of the Christian General and the awkward situation thus created brought to apply immediately his whole energy from the advertised objective of resisting the Japanese aggression to the consolidation of his stand in Chahar, the danger being sensed that if he continued galloping on the old pony he would soon get a slip over the head and be doomed for years to come to another "exile." Thus Feng's alleged anti-Japanese campaign turns out to be one entirely having nothing to do with the Japanese, but remains a thorn to the Central Government in the pacification of North China.

It is very interesting to note the fact that while early towards the end of June a circular telegram was issued by General Feng asserting that he never had any connection with Soviet Russia and that he had no object other than resistance against alien invaders and that he did not aspire to "regional domination,' the trend of Feng's thought has recently changed notwithstanding. This change is in fact dramatic enough, but it deserves no wondering. A summary of the past situation will explain the whole riddle. We must not forget that the circular telegram was issued before the "restoration" of Dolonor, which had been occupied by the combined force of Japanese and Manchukuo units some time after the fall of Chengte, and the restoration of which was the alleged object of the Christian General. While no substantial help was extended to him either by the deserting clique in the south or by his old lieutenants, and at the same time he was by no means prepared to meet the pressure on the part of the Japanese and Manchukuo troops, a telegram of that sort could not but be looked upon as most timely. Then there came around Liu Kwei-tang and his men, and with them were brought over those districts under their occupation. This stimulated somewhat the conciliatory attitude of Feng and he immediately issued another telegram announcing the restoration of Dolonor, which again did not fail to bring some moral encouragement from quarters which are apparently seeking to undermine the authority of the Central Government. But to date the Japanese and Manchukuo forces are hotly pressing on the ill-organized units of the Christian General and it is generally feared that the Japanese would take the action of Feng as an excuse to drive further south of the Great Wall.

Despite the fact that Feng has repeatedly denied that he has any connection with the Communist elements, aspects here indicate that not only he is supported by Soviet Russia, but from the beginning has maintained a very close relation with elements of the Chinese Communist Party and the Reds in Kiangsi. Of course the vernaculars here are not allowed to give any such things, but representatives sent by the aforesaid are undoubtedly always coming and going. In the telegram issued June last Feng declared that "if it is justifiable to dub me a Communist merely because 'Red' handbills have occasionally appeared in the streets of Kalgan, would it not follow that the military and political authorities of these communist-infested provinces (in the Yangtse) are likewise all Communists?" By past experience, the correspondent is able to say that although Communist handbills can be found in the Yangtse provinces, but one finds at the same time drastic measures are adopted by the Government to check their distribution and no one who is found to have such dangerous articles in his person can hope to escape the most serious punishment. But the situation in Kalgan is entirely different. Here, one never returns from a walk in the streets without being courteously handed some communist literature in the very crowded spot and under the very nose of the policemen. Communist posters are erected in street corners and the slogan for the establishment of a Soviet regime is madly cried at any mass meeting. Russian advisers the Christian General may have, but it is always strongly denied; and to the knowledge of the correspondent there really seems to be some secret force behind the activity.

At present, the headquarters of the various leaders of the People's Anti-Japanese Allied Army are distributed as follows: General Fang Chen-wu at Hsuan-hua, General Teng Wen at Huai-An, General Chih Hung-chang at Wan-chuan and General Chang Li-sen at Chang pei. The less influential commanders also have their respective garrison districts. The means for the feeding of these troops are extorted from their respective garrison places, the number being 120,000 for large districts and 80,000 for smaller ones. The Finance Bureau of the Provincial Government also is always forced to collect money although means have long been exhausted. Only two or three days ago General Chang Li-sen is understood to have appointed Chang Chih-kwang, Chao Kai and Pai Cheng-shih as divisional commanders of the People's Self-Preservation Army; and General Chih Hung-chang to have ordered the various *hsiens* to send each two hundred *pao-an-tui* to Kalgan for the training up of a garrison force in additional to the original police force which Chih had reorganized. These elements, because of the lack of training, are doing considerable mischief both in Kalgan and in the various *hsiens*, and to keep them in good order seems to be impossible for the Christian General.

Owing to the active preparations on the part of the Japanese and Manchukuo forces which herald sooner or later an advance towards the southwest part of Chahar, the anticipation is rife here that an expedition from the Central Government for the eradication of the unlawful elements under Feng and thus safeguarding peace and order in Chahar is most likely. During the past few days the Japanese have alleged that the Government troops and the Japanese Army have already come to an understanding for the ousting of Feng from Kalgan. At the same time, the staff of the Christian General also fabricated the rumor that the Government troops are acting in collusion with the Japanese, seeing the Government troops are making necessary steps towards the elimination of the Communist elements of Chahar. If Feng fails to awake in time from his misbehavior, it is feared that something like the Shanghai affair or the recent conflict in north China will be entailed as a result of the advance westward of the Japanese troops and the endeavor made by the Central Government to safeguard the prince from coming Communist-infested. safeguard the province from becoming Communist-infested.

CORRESPONDENT.

Chinese Banks Pay Tax on Bank Note Issues

About three million dollars will be paid to the Ministry of Finance during this month by local Chinese banks as the total amount of banknote tax for the year beginning from July 1, 1932, and ending on June 30, 1933. During said period notes for over $90,000,000 were issued by the Bank of China, $45,000,000 by the Central Bank of China, $35,000,000 by the Bank of Communications, $35,000,000 by the Joint Savings Bank, $25,000,000 by the Ningpo Commercial Bank, $20,000,000 by the Industrial Bank of China, and $7,000,000 by the Chekiang Industrial Bank.

"Prosperity Push" Inaugurated in the United States

Newspaper appeals, radio broadcasts and street corner orations are combined to launch the big "prosperity push" in the United States. Employers in every State are asked to sign promises to raise the pay of their employees and shorten working hours. The Chevrolet Motor Company has increased the hourly wage rates of their 40,000 employees by 15 per cent, while in order to permit full co-operation with President Roosevelt's program the Governor of New York State, Colonel Lehman, has asked the State Legislature to suspend the anti-trust laws. A hundred and fifty agreements were signed at Portland, Oregon, where employers formed queuesin order to sign the code. San Francisco reported 3,500 signatures and St. Louis, 193.

Henry Ford at last reports had not signed the tentative code of the National Automobile Chamber of Commerce at Chicago based on a 35-hour week and a minimum wage of 43 to 40 cents an hour.

A recent *Reuter* message stated that the chief administrator of the Farm Relief Act is considering measures to assist wheat-growers on the Pacific coast to export their surplus grain to the Orient.

The United States Government is purchasing cotton futures to ensure delivery to growers who took options during the cotton crop reduction campaign. About 2,300,000 bales will be necessary to cover these options, while it is reported that the cotton secured by the Agricultural Adjustment Administration from old-crop holdings, through negotiations with the Farm Credit Administration, totals about 1,600,000 bales.

A Washington telegram July 27 stated that the flotation of a long-term loan of two billion dollars is contemplated by the U. S. Government.

A New York telegram July 31 stated that a crucial week faces the nation's recovery campaign on several points. While an agreement upon an oil code was believed to be imminent, in consequences of the support of the Administration's oil stabilization program by the Standard Oil Company of New Jersey, organized labor won the first round of the struggle to thresh out a national recovery code for the steel industry at the hearing before the Administrator, General Hugh Johnson. The steel employers, who traditionally opposed the independent organization of labor by outside bodies, such as the American Federation of Labor, submitted a code specifically providing for a "company unions" system, under which the workers of each company are organized under company officials. An attack on the system, however, by a spokesman of the Federation of Labor, which was supported by General Johnson and Thomas Lamont, the President of the Iron and Steel Institute, finally led to the withdrawal of the clause. Workers will thus be technically free to choose their own methods of labor organisation, though Mr. Lamont added that the owners would still endeavor to continue to deal with employees through "company unions."

The owners' code, which provides for a 40-hour week and a minimum weekly wage of $15, moved Miss Frances Perkins, Secretary for Labor, to plead for the cause of the steel workers. She told representatives of the industry that the proposed 49-hour week was too long, the wages too low and the provision to abolish child labor inadequate.

Seven of the largest retail firms in the United States are putting into immediate operation shorter hours and higher wages. The temporary code for retail stores provides a 49-hour week in food and grocers' shops and a minimum wage of $14 to $15 a week according to the size of the city. In other retail trades General Hugh Johnson, administrator of the Industrial Recovery Act, has ordered a 40-hour week and a minimum wage of $13 to $14 a week. The New York *Herald-Tribune* estimates the return to employment of over a million persons.

Violence on the Increase in the United States

Activities of kidnapping gangs in various parts of the United States are causing great concern to the authorities. William Hamm, Jr., wealthy St. Paul brewer, was recently released on a ransom of $100,000. The family of Charles Urschel, oil millionaire, has called off the hunt for the gang that kidnapped him, in an effort to encourage the abductors to communicate their price for his release.

Three hundred national guards armed with rifles and machine guns proceeded to Fayette county in the state of Pennsylvania July 29, where in the soft coal field district, one man has been killed and ten injured in armed affrays arising from a strike of 15,000 miners to enforce the recognition of trade unions.

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Japanese Navy to Spend Yen 670,000,000

The final decision regarding the second replenishment program of the Japanese Navy having been reached by the authorities, the budget plan together with the next fiscal year's budget estimates, was submitted to the Finance Ministry July 31. Some Yen 670,000,000 is demanded by the Naval authorities for the construction of warships as the consecutive work beginning from the next fiscal year and ending in 1937.

The replenishment program includes the construction of.—two light-cruisers, two airplane carriers, one mine-layer, one engineering ship, fourteen destroyers, six submarines, one oil-supply ship, one submarine tender, four torpedo boats and four submarine chasers. Eight new naval air corps are to be established by 1937.

Yen 42,000,000 will be demanded by the Japanese Foreign Office as the next fiscal year's budget estimates, including extraordinary expenditures for the launching of new departmental enterprises including the establishment of five legations, the Bureau of Mongolia and Manchuria Affairs, and the International Cultural Board.

A Tokyo telegram July 31 stated that the budget estimates for the next fiscal year demanded by each Ministry, when put together, will reach the enormous sum of Yen 1,200,000,000. The Overseas Ministry will demand appropriation of Yen 15,800,000 for the next fiscal year.

Commenting on the connection between armaments and financial stability, the *Hochi* recently said that armament improvement, not accompanied by sufficient national resources and efficient diplomacy, will leave the country dangerously vulnerable to hostile attacks. The national policy in time of emergency as at present must of necessity be framed on the basis of the close co-ordination of armaments, finance and diplomacy. It is said, the Tokyo journal proceeds, that the armament improvement expenditure to be defrayed in the next fiscal year and after involves over Yen 300,000,000, while the second replenishment program of the navy claims Yen 520,000,000. Besides, the Manchurian affair expenditure is not likely to be reduced for some years below the present figure of Yen 150,000,000. There is also a gloomy prospect of the construction of substitutes for the present warships afloat absorbing enormous sums after the second naval replenishment has been carried out. Will Japan be absolutely secure when her national defence program has been completed at such heavy cost, then? Nobody would be able to reply to this question in an emphatic affirmative, in the present trend of the diplomatic situation, the *Hochi* says.

The Japanese War office is experimenting with silk as a material to make military uniforms so as to make use of the surplus silk supply in the country.

Japanese Ships Heavily Subsidized

The government's subsidy to Japanese shipping firms for the next fiscal year as demanded in the budget of the Communications Ministry, totals Yen 21,339,000, which shows an increase of Yen 1,939,000 over the present year. The Communications Department has decided to increase the government subsidy by Yen 950,000 for Japan-North American lines, and Yen 770,000 for the Chinese coastal lines and Yangtze services. Of this increase, Yen 790,000 will go to the Nippon Yuen Kaisha, Yen 770,000 to the Nisshin Kisen Kaisha, and Yen 90,000 to the Osaka Shosen Kaisha.

The Japanese Export Encouragement Union is sending five convassers to South America this summer to open up the new markets there, with a view to studying the possibility of promoting the export of Japanese commodities to South American countries as a means to find some outlets for them.

The Japanese commercial interests in various important cities in North China have decided to organize a Federation of Japanese Chambers of Commerce and Industry in North China, according to Junzo Sakane, Japanese Consul General at Tsingtao. The inauguration conference is scheduled to be held on August 11 at Tsingtao.

Over one hundred houses were destroyed by fire in Oyama, Shizuoka prefecture, during the night of July 28. Incendiarism is suspected.

Just before leaving to attend the inauguration of the Takasaki National Defence Society and to inspect the Takasaki Regiment, the Japanese War Minister, Lieutenant-General Sadao Araki, said at Ueno Station, Tokyo, July 22, that he did not see any reason for opposing further bond issues if the results can be foreseen. The amount of bonds and the size of the budget are matters of secondary importance, he said. He added that there should not be any haste in settling the C.E.R. matter. It was more important he said, to watch the Soviet policy in the Far East than to purchase the Soviet interests in the railway.

More Japanese Will Enter Manchukuo Service

Yasunori Takahashi, Chief of the Bureau of General Affairs of the Manchukuo Industrial Ministry, while en route to Tokyo recently to confer on engagement of more Japanese officials for the Manchukuo Government. Manchukuo with the various Japanese which had recommended by the Ministries of Commerce and Industry, and of Agriculture and Forestry, about August 10. More Japanese officials will be engaged if this batch proves successful, he added.

General Araki Wants Students to Be Militarized

After the Cabinet Council at Tokyo on July 25, General Araki, Minister for War, and Mr. Hatoyama, Minister of Education, remained behind and conferred on the question of students' ideas. If is said that the War Minister complained that some private schools merely use the privilege of postponement of conscription enlistment conferred on their students as a bait for attracting applicants for their schools, and that there is a small attendance of students at such schools. He further averred that as military training at the Government Universities is left to the option of the students, only a small fraction are receiving it. Many students of such Universities, he feared, are positively hostile to military training. The War Minister suggested that the military training of youths should be made compulsory.

With the approach of the political season, during in early autumn political circles in Japan are unanimous in predicting that some sort of reconstruction of the existing Cabinet will become inevitable in view of the pervailing political situation. In this connection, political observers predict that Premier Saito is likely to take the initiative in inducing Dr. Suzuki, President of the Seiyukai, the largest Lower House party, to enter the Cabinet as a Minister without portfolio so as to give the present Government a "true color" as a National Cabinet commanding the majority of support in the Lower House.

Japan's Increasing Financial Difficulties

(From the "Living Age," July, 1933)

While Japan's foreign trade increases, so do her financial difficulties. For the first three months of 1933 imports totaled 541,284,000 yen as against 410,781,000 yen for 1932, exports rose from 251,733,000 yen to 371,910,000, and the unfavorable trade balance increased from 159,048,000 yen to 169,794,000. But all these increases are in terms of the yen, which has depreciated to about two-fifths of its normal value, thus causing a great financial strain. Governor Hijikata of the Bank of Japan summed up the situation as follows at the recent annual meeting of the Trust Society of Osaka:—

> "The decline of exchange rates since last year has resulted in higher prices, promotion of export trade, and a turn for the better in Japanese business and industry. On the other hand, the financial recovery of the world has progressed very slowly and no signs of higher prices have been observed so far. Prices in Japan, which had been following an upward course since June of last year, have begun to decline since February. Call rates, which never fell below 1 sen per 100 yen per day during the first half of 1932, weakened in the latter half and the prevailing rate for the best borrowers now is 0.6 sen. Reckless currency inflation without regard to actual demand for funds from business and industry would have bad effects on finance. The Bank of Japan is on the alert to regulate currency circulation but it will be impossible for the Central Bank alone to remove all the attendant evils. We sincerely hope that the bankers will help us."

Japan's national debt rose to over seven billion yen at the end of March, of which over five and a half billions represent foreign loans. Ordinary domestic business is poor, but the airplane and munitions industries are going strong. That the nation as a whole has not been thriving is indicated by an increase during 1932 of over 25 per cent in the suicide rate of metropolitan Tokyo.

The first public trial of Dr. Hajime Kowakami, former professor of the Kyoto Imperial University, who was arrested by the police in connection with his allegedly subversive communist activities and who is now detained in the Iohigaya prison, was opened in the Tokyo District Court, August 1.

A dramatic statement was made at the resumption of the court-martial of military and naval cadets in connection with the outrages at Tokyo on May 15, last year, when the then Premier, Mr. Inukai, was shot dead and other terroristic acts committed. "The conclusion of the London Naval Treaty," said Sub-Lieutenant Mikami, "showed that a privileged class of politicians and financial magnates were ready to sacrifice the needs of national defence to profit themselves. Consequently, I decided to stab Admiral Takarabe (one of the chief Japanese delegates at the London Naval Conference) and Premier Hamaguchi (Mr. Inukai's predecessor) when the former returned from London." Charging that Mr. Hamaguchi sent instructions to the Japanese delegation to the Conference without consulting the Naval General Staff, Sub-Lieutenant Mikami declared that the "weak-kneed Navy" did nothing when Count Makino and other personages close to the Throne prevented the Chief of the Naval Staff from appealing direct to the Throne in accordance with constitutional rights. Condemning the weak-kneed attitude of Baron Wakatsuki and Admiral Takarabe at London, Sub-Lieutent Mikami bitterly denounced Admiral Taniguchi, who succeeded Admiral Kato as Chief of the Naval Staff. Mikami explained that he gave up his intention to assassinate Admiral Takarabe pending the co-operation of others, as he considered assassination by a group more effective.

Huge Naval Maneuvers

Japanese naval maneuvers, which began on June 1 in the Pacific, entered the second stage during the week, which is marked with the cooperation of land forces in defending Tokyo and the surrounding district against a hypothec invasion of hostile naval and air forces. Simultaneously five prefectures, including Tokyo, Kanagawa, Chiba, Saitama and Ibaragi, are engaged in air defence maneuvers with picked troops of eight divisions participating.

The centre of the air defence maneuvers is laid in Tokyo city. Meanwhile, the naval maneuvers will enter the third and final stage at the middle of this month when the entire Japanese fleet of Japan will engage in maneuvers on an unprecedentedly large scale and under the supervision of the Emperor.

Japanese Goods Pour Into China Since Tangku Armistice

According to an estimate made by the Finance Ministry at Nanking imports from Japan have increas- by fifty per cent since the signing of the armistice at Tangku. It is said that before the war was over Japanese imports only amounted to $25,000,000, but since the Tangku armistice imports from Japan have suddenly jumped up to $50,000,000, of which three-fifths went to North China.

Manchukuo's import from Shanghai during May was valued at S.$996,047, a decrease of S.$175,947 as compared with figures for the previous month, according to statistics issued in Changchun, July 31.

Nantao Court Procurator Investigates Customs Fraud

An enquiry into the case of defrauding the Chinese Maritime Customs of huge sums of money by counterfeiting application forms on which the value of goods and amount of taxes to be imposed are declared, by a large group of Chinese including customs agents, "tingch'ai," and others, was started by Procurator Ouyang of the Nantao District Court July 31. Up to that time seven Chinese had been taken into custody by the Chinese tribunal. The group of seven Chinese, now in custody including one Su Kwenyi, was rounded up by the Settlement police recently on information given by the Customs river police. The information was to the effect that the accused gang had opened an office called the Hoh Chung (Union) Company in room 208 at No. 3 Hankow Road. The police raided the place and Su Kwen-yi, the alleged assistant manager of the Hoh Chung, was placed under arrest and counterfeiting papers and seals were seized.

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Mail with statement to

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII,
Shanghai.

Japan's Trade with China

(British Chamber of Commerce Journal, Shanghai, July, 1933)

The following figures show Japan's trade with China during the four months ended April 30, 1933 and 1932.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-Apl. 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*	*Jan.-Apl.* 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*	*Jan.-Apl.* 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*
Manchuria	22,051,000	3,858,000	58,981,000	15,439,000	81,032,000	19,297,000
Northern Ports	23,375,000	24,275,000	14,505,000	13,420,000	37,880,000	37,695,000
Central Ports	17,576,000	8,611,009	15,008,000	6,781,000	32,584,000	15,392,000
Southern Ports	78,000	76,000	2,786,000	1,703,000	2,864,000	1,779,000
Kwangtung Province	62,190,000	32,997,000	6,038,000	43,074,000	68,228,000	76,071,000
Hongkong	7,312,000	4,175,000	669,000	210,000	7,981,000	4,385,000
Total	132,582,000	73,992,000	97,987,000	80,627,000	230,569,000	154,619,000

By Months	*Exports* 1933 *Yen*	1932 *Yen*	*Imports* 1933 *Yen*	1932 *Yen*
January	24,332,000	11,520,000	28,741,000	21,839,000
February	32,263,000	14,144,000	27,019,000	20,404,000
March	40,919,000	23,760,000	25,528,000	20,413,000
April	35,068,000	24,568,000	16,699,000	17,971,000
Total	132,582,000	73,992,000	97,987,000	80,627,000

Japan's Total foreign trade for the three months en March 31, 1933 and 1932 was as follows:—

	1933 *Yen*	1932 *Yen*
Imports	541,553,000	410,780,000
Exports	371,245,000	251,732,000
Total	912,798,000	662,512,000

Canton Receives 30 Military Planes from U.S.A.

The Cantonese military authorities last week received a new consignment of thirty military pursuit planes from the United States, being a part of the orders placed with a certain American firm by the Canton authorities.

With funds raised by students of various municipal schools in Canton a bombing plane has been purchased from abroad and is due during the month, when it will be christened "The Canton Municipal Schools." After the ceremony the machine will be formally presented to the Cantonese Air Force.

The formal inauguration of the Shanghai-Canton air route, which was originally scheduled for August 8, has been postponed until the Autumn. The China Aviation Company is now making preparations for the inauguration of a direct air service between Shanghai and Kweiyang, the capital of Kweichow province.

The first trial flight on the Lanchow-Hsining (Kokonor) branch of the Northwestern Airway, originally scheduled for last week, will take place on or about August 8, according to Li Ching-sung, General Manager of the Eurasia Aviation Corporation. The postponement of the trial flight was due to the absence of Mr. Li, who was in Peiping for a week visiting his mother who was seriously ill.

Nanyang Brothers Tobacco Company has raised $100,000 among its employees as a contribution to the airplane fund of the National Government. Instead of buying a plane with the funds already in hand, the Company has decided to set the fund aside as an endowment for those who wish to learn aviation abroad.

Long Distance Flier Visits Chiang Kai-shek

Sun Tung-kang, Chinese long distance flyer who flew to China from Germany departed for Kiangsi in his plane July 27 in response to a summons from General Chiang Kai-shek. Before his departure, a representative of the C. E. C. at Nanking, presented him with a purse of $500 in recognition of his achievement. He had an audience with President Lin Sen July 25. At noon, the aviator was guest of honor at luncheon given by the Aviation Administration of the Ministry of War. More than 100 guests were present, including many prominent Party and Government officials. Mr. Sun has telegraphed to the China Aviation League in Shanghai declining the invitation asking him to come to Shanghai at the present time.

At the recent Kuling conference a scheme was adopted for the development of the Chinese air force within a period of three years. The scheme was drafted by General Hsu Pei-ken, the new Director of the Aviation Bureau. A minimum number of airplanes is to be put into service sufficient, at least, for self-defence purposes. The scheme provides for air defence plans for leading cities of China, including Nanking and Shanghai.

Two Chinese naval aviators, Captains Chen Wen-lin and Pan Ting-shin, were the guests of honor at the weekly tiffin of the Royal Air Force Association of Shanghai July 28. Capt. Chen, the director of naval aviation at Amoy, is flying the China-built airplane *Kiang Chen* around the country, while Capt. Pan was its designer. S. E. Faber, president of the association, welcomed the two guests.

The airplane contributed by the Shanghai Boy Scouts will be formally christened "Shanghai Boy Scouts" on August 10 at the Kiangwan Race Course, according to information from the China Aviation League. The plane is a military pursuit machine and is one of the eighteen planes purchased by the Aviation League. The machine will be formally handed over to the Government after the christening ceremony.

The Control Yuan has received an appeal from various public organizations in Peiping strongly attacking Chow Ta-wen, former Mayor of Peiping, and General Pao Yu-lin, Director of Public Safety of Peiping, respectively, charging them with corruption to the amount of $900,000. According to the appeal, the funds raised went into the private purses of the two officials mentioned and not a cent was actually spent on the development of aviation.

Great Britain has announced that it can not countenance the sale of British aircraft to Germany for purposes forbidden by the Paris air agreement. Germany intended to buy 25 or 50 British aircraft for police purposes.

Miss Boku Keigen, Korean aviatrix of the Japan Aviation School, will take off from Tokyo, on August 7 on a solo-flight to Manchukuo.

Formosa and the main land of Japan are to be connected by a regular air service in the spring of 1935.

19th Route Army Air Force Moves to Lungyen

By order of General Tsai Ting-kai, Commander of the 19th Route Army, all the air-planes belonging to the Army are to be moved to Lungyen, in Western Fukien, immediately to participate in the forthcoming general offensive against the Communists at Changting. General Tsai has established his headquarters at Lungyen while the base of the air-force has been established at Changchow. Lungyen has now been converted into a military camp as the main-body of the 19th Route Army are now concentrating in that region.

Who's Who in China

Lin Hsiang, educator; born at Shangchen, Honan, 1877; was graduated from the China National Institute at Woosung, Shanghai; instructor in various Government schools in Honan; founder and president for five years of the Honan Provincial Preparatory College for students to study abroad; head of the First Section of the Department of Education of Honan and twice acting Commissioner of Education of Honan; now, Director of the Educational Fund Administration Bureau of Honan; has successively served in Honan educational circles for about 30 years and is regarded as one of the most influential educational leaders in that province, nearly all the educational workers now in service in Honan being once his associates or students; address: Honan Educational Fund Administration Bureau, Kaifeng, Honan.

林 宴
Lin Hsiang

林宴別號伯宴，年五十六歲，河南商城縣人，上海中國公學畢業，曾任省立師範學校教員，創辦河南留學歐美預備學校，任校長五年，任河南教育廳第一科科長八年，兩次代理教育廳長，現任河南教育產款管理處處長，

Anti-Japanese Boycott Being Renewed in Shanghai

Signs of renewed boycotting of Japanese goods are appearing in Shanghai. At a recent a meeting of the Dried Goods Shop Workers' Union it was decided that the workers should report any smuggling of Japanese goods by their employers; and, in connection with the dispute in the fishing trade, an inspector of the Enemy Goods Inspection Committee of the Fishing Trade is understood to have made a report some few days ago that the Heng Chong Fish Hong in the Rue de la Porte de l'Est was dealing in "enemy" goods. One other development in the boycott movement was the issuing of a notice by the Enemy Goods Inspection Committee of the Fishing Trade to the effect that three fish hongs in the French Bund and Nantao were dealing in Japanese goods. Fish traders in Shanghai and environs accordingly were requested not to deal with the offending concerns, which were named.

The Shanghai Citizens Federation is reported by the *Shun Pao* to be encouraging merchants to spy on each other over their conduct in the anti-Japanese boycott movement. Many sealed boxes have been installed in front of the Federation building and merchants and the public are requested to put in reports giving the names and address of shops which are still importing Japanese goods.

Japanese Eurasian is Victim of German "Pure Blood" Movement

The Berlin correspondent of the *Osaka Mainchi*, notes that one of the victims of the "pure blood" movement in Germany is Dr. Otto Urhan, who was dismissed from the National Experimental Station in Agriculture and Forestry, situated in the outskirts of Berlin, because, having been born of a Japanese mother and a German father, he was not of "pure German blood."

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION AT THE END OF JULY

No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	$ 2.50	G.$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

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The China Weekly Review

38, Avenue Edward VII

Shanghai.

Men and Events

Sir Robert Ho Tung, the multimillionaire Hongkong magnate, is ill in a London nursing-home.

By order of Colonel Yuan Liang, Mayor of Peiping Special Municipality, all dancing halls are to be closed shortly.

Masashi Kuribara, First Secretary to the Japanese Embassy in Manchukuo, has been appointed Consul General in Tientsin.

The Japanese gunboat *Futami* which ran aground recently in the Yangtze was towed by the *Senyo Maru* to Shanghai during the week.

Dr. Benjamin Kay Wong, dentist, announces the removal of his offices to the Land Band Building, corner Peking and Kiangse Roads, Shanghai.

Chester Lord, for 33 years manager of the New York *Sun*, retiring in 1913, died at Garden City, New York, Aug. 1 at the age 83 years.

Archibald Johnson, son of Senator Hiram Johnson shot himself dead at Burlingame, Calif., August 1. Deceased was a practising lawyer. His wife had recently divorced him and remarried.

A Municipal factory is soon to be established at Kaochingmiao, in Chapei, near Shanghai with a view to providing employment for war refugees in that area.

The budget estimates of the Municipal Government of Greater Shanghai for the 22nd fiscal year (July 1933 to June 1934) are stated to total nearly $12,000,000.

J. Kleffel, manager of the American-Oriental Banking Corporation, accompanied by Mrs. Kleffel and their daughter, departed this week for Nikko, Japan on vacation.

Dr. Sherwood Eddy, prominent worker and lecturer on behalf of the international Y.M.C.A. organization, arrived in Moscow July 28 on a tour of Soviet Russia. He is accompanied by a group of scientists.

Sun Fo returned to Shanghai end of last week, cutting short his holiday in Tsingtao. He proceeded immediately to Kuling to take part in the conference which General Chiang Kai-shek has been holding there.

At a recent meeting of the Board of Directors of the Tsingtao-Tsinan Railway, a decision was reached that the Railway Administration should set aside an annual sum of Yen 2,000,000 as a redemption fund for the line.

General Chu Shih-min, of the Chinese General Staff, departed for America from Japan by the s.s. *President Hoover* on July 27 to study for one year at the American General Staff College at Kansas.

Dr. C. C. Wu, former minister for Foreign Affairs and Chinese Minister to the United States, who recently returned to Shanghai on an extensive tour in Upper Yangtsze, is spending his summer holiday at Tsingtao.

At the invitation of the Nanking Government Sir Arthur Salter and M. Mannet, economic experts previously on the staff of the League of Nations, are shortly proceeding from Europe to China in a private advisory capacity.

Commenting on the new silver agreement, W. W. Price, ex-president of the Colorado Spring Mining Stock Exchange, expressed the opinion that the pact would "take control of the silver market from selfish monopolists in London and New York."

The captain and eight men of the crew of a Japanese fishing smack registered at Los Angeles were arrested July 16 by Mexican officials at Puerto Marquez in the State of Guerrero, on technical charges of illegal fishing in Mexican waters.

The Board of Supervisors which inspected the art treasures of the Peiping Palace Museum now stored in Shanghai reports that they are well preserved despite fears that they might have been damaged by moths and mould in view of the damp weather of Shanghai.

The Chinese Government's order regarding the registration of foreign companies came up for discussion in the House of Commons July 26. It was stated that the British Minister to China had presented a report on the matter, which was now under consideration.

John Cromie, editor of the Vancouver *Sun*, gave his impressions of Soviet Russia which he recently visited in an article contributed to the London *News Chronicle*. The Canadian editor declared that if there is a country in the world which is set on a genuine course and steadfastly pursuing it, that country is Soviet Russia. No one, he says, can visit the country without being inspired by a feeling of deep respect for the honesty and straightforwardness of Soviet state politics.

Dr. E. V. Morrow, new United States Public Health officer for Shanghai and Mrs. Morrow arrived August 1 on the *President Cleveland* from Seattle.

A department of Kuomintang and political affairs was been added to the anti-Communist south route command. Similar organs in a smaller scale are attached to the four detachments under the south route command.

The Shanghai Municipal Council July 1 put into force regulations that butter sold in Shanghai must contain at least 80% of butter fat. Margarine must contain 80% of total fat and the word Margarine must appear on the label one-half inch high.

The *Central Press* states that Yang Yung-tai, former civil governor of Kwangtung, and an important member of General Chiang Kai-shek's "brain trust," will be appointed mayor of the Municipality of Greater Shanghai in succession to Wu Teh-chen, the present incumbent.

The Davis Cup has changed hands as a result of the play at Auteuil, July 30, when Fred Perry won the fifth and decisive match against Andre Merlin, thus giving Britain her first victory since 1912. The score was 4/6, 8/6, 6/2, 7/5.

According to a report issued by the offiicial *Central Press*, July 26, the South-west Political Council has decided to telegraph the Ministry of Industry at Nanking requesting cancellation of the contract with Messrs. Arnhold & Co., Ltd., which is being granted exclusive rights to operate the wolfram mines in South Kiangsi.

Six "career men" in the U. S. Consular service in the Far East are affected by the new economy program. The Dollar liner, *President Monroe* is bringing two American vice-consuls, Roy L. Perkins who is going to Tientsin, and Kenneth Yearns who will be attached to the Consulate General in Shanghai.

The British Monitor *Terror*, equipped with two 15-inch guns has been sent to Singapore as a base ship. The British Government announced July 27 that the development of the Singapore naval base and defences had reached a stage when the presence of a base ship was required.

A conference of representatives of all scientific research institutes in the Soviet Far East met in Vladivostok last week to study concrete measures for harnessing the entire productive forces of the region to the work of socialist construction. Delegates sent from the All-Union Academy of Sciences in Leningrad were present.

Canton is at present importing from England and India £2,500,000 worth of cotton yarn annually. In view of this situation, the provincial authorities are making plans for the establishment of a large cotton mill. The new plant will be supplied mostly by Platt Brothers and Co., British textile machinists.

In the July issue of *Foreign Affairs*, Judge John Bassett Moore attacks the international conceptions of Wilson, Kellogg and Stimson, and denounces certain of the policies identified with their names as "somnambulistic," "visionary," "reckless," "fustian" and "savoring of monomania."

A victory for the opponents of the Hawes-Cutting Hare Independence Act was scored July 24 when Quintin Paredes, a rejectionist and a supporter of the faction led by Senate President Manuel Quezon, was elected Speaker of the House of Representatives of the Philippine Legislature.

Negotiations between the Shanghai Stock and Produce Exchange and the Shanghai Gold Stock Exchange relative to the amalgamation of the gold bar department of the former with the latter exchange are reported to be deadlocked despite the approaching time-limit set by the Ministry of Industry for the merger.

The *Choshun Maru*, now re-named the *Tsingtao Maru*, of the Dairen Kisen Kaisha, will shortly resume her service on the Dairen-Shanghai line, after having been in dock in Port Arthur for the repairing of the damage which she had suffered when she collided with the s.s. *Tu-nan* of the China Merchants S. N. nearly a month ago off the Shantung Promontory.

The Commission for the censorship of moving pictures has issued regulations governing foreign moving pictures firms taking pictures in China. All photographers must have a formal certificate issued by the Chinese authorities and no picture shall be taken unless the photographers are accompanied by representatives of the local authorities of the districts in which the cameraman intends to take pictures. No picture having a derogatory effect on the prestige of China may be taken.

Following the decision of the Kwangtung Provincial authorities to enforce pure food laws, the export of sweetened canned food from Canton is now forbidden.

The press rate to Europe is now 58 sen per word and to China 14 sen per word, as compared with the previous rate of 34 sen and eight sen respectively.

As a result of representations made by Chen Wen-tien, a prominent resident of Bangkok, the Siamese Government has lifted the ban on the circulation of Dr. Sun Yat-sen's "Three People's Principles" in Siam.

Following the American abolition of receiver-to-pay arrangements, the Japanese Department of Communications announced a drastic increase in press rates, operative as from August 1. A later message received in Shanghai stated that the project to refuse r.t.p. messages had been dropped so far as press messages are concerned.

Gilmore Bradford, representative in the Far East for the Frigidaire Company, and Mrs. Bradford, have arrived in Shanghai and are residing at the Brookside apartments on Avenue Haig. Mr. and Mrs. Bradford were married at Kobe on June 29, following which they spent their honeymoon in Japan. Mrs. Bradford, before their marriage was Miss Lometa Watkins of Plattsburg, Mo. Mr. Bradford is a graduate of the University of Missouri.

The demand for abolition of the five-cent toll on telephone calls between the Shanghai Foreign Settlements and the Chinese city is supported in a telegram to the Ministry of Communications from the Shanghai City Chamber of Commerce which points out that it is the only one of its kind in China notwithstanding that there are also foreign concessions in other ports.

The holding of lotteries with cash prizes by commercial companies has been forbidden by the Municipality of Greater Shanghai following the receipt of orders from the National State Lottery Administration. The order was the result of attempts of local commercial firms, notably cigarette companies, to promote lotteries in an endeavor to increase the sale of their products.

The German light cruiser *Koeln* arrived in Shanghai August 2 and tied up opposite to the Shanghai Waterworks. In the afternoon an official reception was given to representatives of the Shanghai press, by Captain Schniewind, in command. A reception was also held at the Deutscher Garten Klub from 5 p.m. to 7 p.m. and at the homes of German residents, whose gardens have in nearly every case been decorated with flags.

Two cinema companies, one in Singapore and another in Seremban, have been formed for the production of Chinese pictures featuring Malayan Chinese life. The Singapore company is promoted by the Lian Hua Film Company of Peiping and Shanghai; the other company has been promoted by Khoo Chian-hong of Negri Sembilan, one of the Malay States, with considerable financial support from his relatives and friends in Annam.

Keng Hua-tang, former divisional commander in the Chinese army, whom the police of the French Concession in Shanghai have been wanting for the last 10 months in connection with Ho Shao-ting kidnapping case, was arrested last week in the Japanese Concession in Tientsin and is being brought to Shanghai this week. The arrest was effected by Chang Tze-ying, the Chinese head of detective division of the Shanghai French Police, with the co-operation of the Japanese authorities.

The *Shun Pao* says the American Consulate-General in Shanghai has sent a reply to the Municipal Government of Greater Shanghai dealing with the latter's protest against the publication by the *Shanghai Evening Post* of a groundless report concerning the activities of the "Blue-Gown Society." In its reply the American Consulate-General allegedly agreed to warn the *Shanghai Evening Post* against publishing such news in the future and to instruct the paper to publish a formal correction.

A reply has been received by the Ministries of Interior and Foreign Affairs from the Customs authorities regarding difficulties in the enforcement of proposed revisions in the regulations for the examination of passports of aliens arriving in China. According to the Customs authorities, the extraterritorial privileges enjoyed by foreign nationals would hamper the enforcement of some of the proposed revisions, notably those dealing with imposition of fines on foreign shipping companies and the responsibility of these companies for transporting aliens back to the port of embarkation if they arrive without passports.

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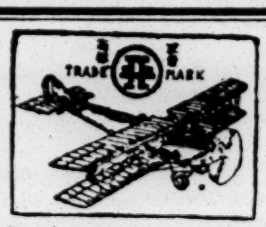

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New Books of Interest in the Far East

The Ignoble Experiment

The Eighteenth Amendment and America's Foreign Relations, by Robert L. Jones; published by Thomas Y. Crowell Company, New York.

For the benefit of benighted persons let it be immediately understood that this volume, by a professor of American history at the University of Pittsburgh, deals with the effort of the United States to prevent its residents from consuming anything stronger than liquids containing one half of one percent alcohol. This effort, written into the American constitution by the eighteenth amendment and enforced (more or less; mostly less) by the Volstead act and the Jones "five-and-ten" law—five to ten years in prison for possession, sale or transportation of liquids containing more than one half of one percent alcohol,—was once described by the late President Hoover as an "experiment noble in motive and far reaching in purpose."

Just recently the experiment has been modified to permit 3.2% beer, and an amendment to repeal the eighteenth amendment entirely is now before the 48 states of the American union with apparently excellent changes of success, but until a few years ago prohibition seemed to be as inevitable as death and taxes to residents of the great republic sired by George Washington, Benjamin Franklin, Thomas Jefferson, *et al.*

At the time the eighteenth amendment was adopted a large majority of good citizens, it seemed, had the interesting idea than once alcoholic liquor was outlawed, all desire for it would, generally speaking, thereby cease. It was, therefore, something of a painful surprise when it was discovered that merely passing a law to ban something mankind had consumed for uncounted centuries failed to alter sinful appetities. Wherefore, with that wisdom so characteristic of reformers, a grand prize was offered for a suitable designation of a drinker to assist the eighteenth amendment in preventing drinking. "Scofflaw" won the prize and was duly engraved on the hearts of Americanos in a resounding refrain:: "I'm proud to be a scofflaw!" And outside the United States, many persons, especially Britons and French, found both pride and profit in assisting Americans to be "scofflaws" by founding "rum rows" off the rockbound coast of New England, the sunny Gulf of Mexico, etc.

It is with this phase of the prohibition experiment that Professor Jones deals. The conventional three-mile limit of American sovereignty on the seas off the coastline was found inadequate to prevent smuggling, and Washington exerted every pressure possible, particularly on England since most of the rum runners waved the Union Jack, to gain the right of search and seizure within 12 miles of the coast. Had not the U.S. been in such a dominant position in the post-war world, it is not impossible that her efforts to enforce prohibition would have resulted in a war. As it was, she was able to make other nations—in hope of charitable debt settlements—agree to the 12-mile limit. But all the prohibitionists' ships and all the prohibitionists' spies were never able to prevent the wholesale consumption of liquor containing up to 100 per cent alcohol!

Professor Jones tells how the American effort to prevent the smuggling of alcoholic liquor into the United States affected relations and treaties with Great Britain (including Canada), France, Cuba, Mexico, and Japan. In connection with the convention with Japan on the subject, Professor Jones cites the curious fact that the language in the pact with Tokyo is identical with that contained in treaties with other countries except the phrase "and such carriage shall be as now provided by law with respect to the transit of such liquors through the Panama Canal" is omitted.

"This strikes one as significant," says Professor Jones. "Does the United States desire to keep itself free to place such restrictions as it may deem necessary upon Japan's use of the canal or is there no longer a purpose to be served by expressly observing the legal *status quo*, or does Washington now regard the canal amply protected by the expression the 'United States, its territories and possessions?' (This phrase is in all the treaties pertaining to liquor). No answer to these questions or to any other bearing upon this situation has ever come from either of the two governments."

W. B.

Germany Not Solely Guilty for World War

"On Some Causes of the Great War" is the title of an informative brochure by Sir Raymond Beazley, Professor of Modern History at the University of Birmingham.

The writer in the introduction says that in the Peace Settlement of 1918-19, and ever since, the situation has been vary largely dominated and conditioned by the Entente doctrine of the sole and monstrous responsibility of Germany for the war of 1914-1918. This is generally expressed, or strongly implied in Articles 227 and 231 of the Treaty of Versailles, and (far more fully) in the Covering Letter to the Allied Reply (signed by Clemenceau) to the German Protest against the Peace conditions. But, says the author, the once fashionable picture of a wicked Germany persistently blocking every approach to reconciliation is simply not true. This English professor says: "Germany, in fact, postponed her own mobilization till August 1, declaring war on the same day, in the face of Russian refusal to modify the measures already taken. It is the simple truth that the Germany of William II, though cursed with so much unwisdom and blindness, so much weakness, so much recklessness and tactlessness, in her political direction, since 1890, had not plotted, or desired, the General War, and had made genuine (though belated and ill-organized) efforts to avert such a war. In France, political France, as directed by Poincare, the spirit of Delcasse had revived, thanks above all to the implacable Lorrainer. That spirit aimed at strengthening and stiffening the Entente;—opposing, blocking, and thwarting Germany;—pressing her down towards diplomatic defeat and humiliation."

Sir Edward Grey's policy is also blamed for bringing on the war.

Ignorance and Malice

Chinese Dust. By J. van Dyke. Jarrolds Publishers (London) Limited, 34 Paternoster Row, E. C. 4. 1933. Price 7/6 net.

Here is a book in which ignorance and malice blend to make up one of the most scurrilous attacks upon China and the Chinese people ever presented in "literary" form. The author, according to the blurb on the cover, has been in the Far East. But however this may be, he is evidently quite ignorant of China, and wholly ignorant of Chinese life. It is apparent that he got all his misinformation from the type of treaty-port foreigner, disgustingly evident in Shanghai, who regards Chinese as a "foul race" of "yellow swine," and is wholly lacking in the education and culture necessary for the appreciation of an alien civilization.

The epithets quoted above are only two of the many choice scurillities to be found in this book. The author's whole conception of a Chinese city is one of smells and horrors, where "the faithful adherent of the new Socialism" (as he terms the ordinary Chinese) customarily spits upon the foreigner, and at times turns to stoning or shooting at him and raping his women.

There seems, indeed, no earthly reason why Chinese should act otherwise towards the vile type of foreigner depicted in this book. (One more than suspects, indeed, that the author was soundly thrashed by some Chinese for his "superior" insolence, and this book is his revenge.) The only life these foreigners know is one of drinking, gambling, sex, scandal-mongering, and cursing and abusing their Chinese hosts. The only character in the story who is ever depicted as reading a book is a Chinese general, but these book-reading Chinese "with a veneer of culture," are the most "cruel and dangerous" type it appears. The author has evidently never seen a Chinese temple, residence, garden, park, library, university, or anything else. (One wonders, indeed, if he ever saw the inside of an English library or university.) In his utter ignorance of China, he thinks that "exterritoriality" means a system whereby "when white-men of certain favored nations break Chinese laws" they are subject only to their own courts (being wholly unaware that exterritorial nationals are wholly above Chinese law and subject only to their own, and furthermore that most exterritorial foreigners in China are *not* "white-men").

He thinks that a Chinese funeral, with sixty-four men carrying the bier and hundreds of mourners, etc., in line, may toil on for weeks through the "unkempt interior" of China. He is wholly ignorant of the established Far Eastern football rules, and spitefully accuses Chinese sportsmen of cheating because they send in substitutes in a game against foreigners. He thinks southern Mandarin has eight tones. He thinks....

But I compliment him unduly when I say he "thinks." He merely says. And abuse, malice, and ignorance roll on, page after page, without a touch of nobility or beauty in the whole work. The nearest thing to an idealist in the book—a missionary—strangles to death a consumptive ricksha-man in vicarious revenge for a British fellow-countryman having brought him together with a diseased prostitute, and then—after the police get him—commits suicide: "Lemar had been a fool; but there was a certain dignity about his passing, nevertheless. Despite the sugary taint of the missionary, he had emerged at last with that true beef-and-beer savour of the Englishman about him. 'Yellow swine,' he had uttered, as he killed his man...He had gone out like a Briton."

As the quotations may have indicated, the book is rather poorly written. Nothing else, indeed, was to have been expected. A man utterly ignorant of culture and cultural values can hardly be expected to produce a work of art.

H. H.

Recent Pamphlets Received

The League against Imperialism (Australian section) has distributed in Shanghai copies of its official journal, which devotes particular attention to the Japanese invasion of Manchuria.

A brochure by Dr. Karl Schwendemann published in Berlin is entitled, "The System of Disarmament of the Peace Treaties in its Relation to the General Disarmament Conference." The author says Germany's steps towards equality do not mean that Germany is demanding rearming.

The Institute of Chinese Cultural Studies at Nanking has published an Introduction to Oriental Journals in Western Languages, compiled by M. S. Bates.

Dr. Ishwar Nath Topa, Assistant Professor at Osmania University, Hyderabad, Deccan, is the author of a brochure on Sidelights on the Problem of Indian Nationality. He says that the reason why Indian nationalism has failed to develop in the masses of the people that strong feeling of patriotic fervor which is so essential for the life of a nation is the co-existence of tribal organized groups with its gods, social laws and customs.

C.E.R. Negotiations Delayed by Muto's Death

The sixth session of the Manchukuo-Soviet negotiafor the sale of North Manchuria Railway (formerly Chinese Eastern Railway,) which was scheduled to be held August 21 was indefinitely postponed on account of the fact that Manchukuo delegates will be occupied in connection with the fnneral of the late Field Marshal Muto in Toyko. Mr. Ohashi, Manchukuo Vice Foreign Minister and one of the Manchukuo delegation, left Tokyo July 31 for Moji in order to join the party who are conveying the remains of the late Field Marshal to Japan.

On the assumption that the Chinese Eastern Railway will be transferred to Manchukuo by the Soviets through the conference in progress in Tokyo, Ataman Semenov, former White Russian commander, is agitating for a settlement of White Russians along the C.E.R. Semenov is making hurried trips between Dairen, Changchun, Mukden and Harbin for said purpose.

Prominent Korean Shot Dead by Unknown Assassin

Yao Kang-ping, a prominent leader of the local Korean community, was shot dead on Rue Wantz in the French Concession, Shanghai, on the night of August 1 by a gunman who escaped up an alley under the cover of the darkness. The alarm was given by his chauffeur. The motive of the murder is believed to be of a political nature, as Mr. Yao, besides being a prosperous merchant in town, was said to be identified with numerous political activities in the local Korean community. He had attended a dinner party at the Central Restaurant on Foochow Road on the night of the murder.

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China's Industrial Development---Its Problems and Prospects

BY C. L. NIEH

Editor's Note—This article—which is being printed in installments—dealing with China's Industrial Development is reproduced from a pamphlet intended for presentation at the Fifth Biennial Conference of the Institute of Pacific Relations, scheduled to be held at Banff, Canada, August 14.

(Continued from last week)

THE right allowing foreigners to establish industrial plants in the treaty ports of China began with the Treaty of Shimonoseiki; and after 1895 the development in manufacturing industries took a rapid stride. Of the three kinds of foreign investments in China,[68] the business investment no doubt have the most important bearing on her industrialization. Such investment is chiefly British and Japanese, each of which constitutes about one-third of the total, according to Dr. Remer. Because of the privileges enjoyed by the existence of the settlements and the concessions, about one-third of such investment is in Manchuria, where the Japanese influence dominates, one-third is in Shanghai, and the rest is found to be scattered around in Hongkong and several other ports. The British business investment was estimated to amount to 1,434 million dollars. The Japanese investment was found to differ from 1,370 to 1,832 million yen.[69] The American investment was estimated by Mr. Arnold at 200 million U. S. dollars.[70] It is no wonder, therefore, to note that a great many of the industrial undertakings are being operated either entirely with foreign capital or jointly with Chinese and foreign capital. The threatening expansion of the British and Japanese influence in China's industries needs earnest attention. In view of the increasing activity on the part of Japan in China's fundamental industries, namely, cotton textile, coal, iron and steel, the future struggle between the Chinese and Japanese industrialists certainly will not be lightly looked upon, as Japan has been and still is China's most bitter competitor in this half-developed big market. It seems needless to remind us of the hard times suffered by the Chinese industries last year as a result of the Japanese policy in dumping large quantities of textile manufactures, coal, cement, paper and other commodities into China.

In foreign trade, as well as domestic trade, Japan has long been China's most bitter rival. In silk industry, for instance, China has always suffered at the mercy of Japan. In the words of Mr. Kann,[71] "raw silk experienced in 1933 the worst year in its career. This was due in part to the world crisis and partly to the depreciation of the yen. The last-named condition enabled Japanese holders of stock to dispose of these in terms of foreign currency at levels with which China could not compete. As a result exports of raw silk from China declined about 75 percent. when compared with the average value of the preceding ten years which latter displayed the following totals:

Year	Piculs	HK. Taels (in thousands)
1923	138,423	138,919
1924	131,273	108,059
1925	168,018	140,358
1926	168,563	144,444
1927	160,002	128,706
1928	180,186	145,443
1929	189,980	147,681
1930	151,429	109,181
1931	136,186	84,680
1932	76,671	32,539"

The plight of competition is omnipresent, while its power is omnipotent. That competition affects China's industrial future is a recognized fact. No artificial solution will be of any avail, nor does it seem necessary. Let it be remembered, however, that "in the struggle for existence" the result is generally "the survival of the fittest." This stands true with all economic activities as it has been with the biologic world.

7. Transportation Facilities

The problem of transportation in its relation to China's industrial future is a matter not only of paramount significance but of immediate concern.

China, possessing as she does a population which is one fourth that of the world and scattering over a territory which is one third larger than that of the continental United States, would enjoy the potentiality of an unlimited market had political and economic conditions proven favorable. This great nation, being conservative and slow-moving in temperament and therefore reacts poorly towards modern changes, has not, as most people have commonly misunderstood, undergone a rapid process of economic modernization under the industrializing influence of the West, for one simple reason—namely, the lack of transport—if not for any others. Whatever industrialization there has been in China during the last seven decades or so is confined chiefly to the six provinces[72] whose area is but one tenth that of the total for China.[73] In the opinion of Mr. Julean Arnold, U. S. Commercial Attache in China, "railway freight rates in America average slightly more than one cent gold per ton per mile contrasted with transportation costs in China via beasts of burden, human carriers, carts or wheelbarrows of about ten times this amount."[74] Can it not be inferred that, economically, China's industrialization would have been put in a more favorable environment but for the lack of modern transport facilities?

The length of China's railways is rather limited, amounting altogether to 15,000 kilometers.[75] Szechuan, with a population estimated at upward of fifty millions, has not as yet a mile of railways, except the little narrow gauge line used in coal mining. In railway mileage, China has probably the lowest per capita of any civilized country, the ratio, according to Dr. Fong, being only 1/186 of that in the United States.[76] Under such circumstance, it is not strange to note that to travel from Kweiyang to Nanking, which covers a distance of 1,404 miles, takes twenty days. But were new lines connecting these two points to be built, the journey could be reduced to only 57 hours or a little less than two and one-half days. Similarly, the journey from Nanning to Canton, covering a distance of 1,495 miles, could be reduced from ten days to fifty hours.[77]

Unfortunately, the length of China's highways is also limited; their mileage has been estimated by Mr. Arnold to amount to 40,000 as compared with 3,000,000 of the U.S.A.[78] However, the benefit of the opening up of highways throughout this country cannot be under-estimated. Not only will it hasten the unification of the country by means of inter-provincial traffic, but it will facilitate to economic development of the nation to a great extent in view of the favorable reaction which it will bring upon the trading conditions.

It is a matter of gratification and encouragement to note that in spite of the domestic disorders, a great deal of constructive work has been accomplished in China during the last two or three years, the most noteworthy of which is road-building and to a lesser degree railway construction. The National Government railways showed considerable improvement in operations with some new constructions during the past year.[79] In addition, substantial plans for extensions and additonal construction with Government, provincial or private interests are not lacking.[80] Most important among these is perhaps the Canton-Hankow railway, for the completion of which funds totalling £4,000,000 have been arranged from the trustees of the British Boxer Indemnity Funds. With these funds it will be possible to complete the gap of approximately 250 miles, linking up the northern and southern sections of the line, in three years, if all goes well.[81]

Probably the most patent constructive work in China during the past decade is the extensive highway development under the auspices of the governmental, provincial authorities and private efforts, notably the provincial authorities. For instance, Hunan province has completed 700 miles of motor highways, and is working on plans for an additional 500 miles involving connections with its neighboring provinces. Similarly, Kwangsi in south-west China, which ten years ago was rated one of the most backward and poorest of provinces, can to-day boast of 1,000 miles of roads over which motor buses are in operation. Again, in the populous province of Szechuan the highway construction has recently made possible through automotive transportation from Chungking, the commercial metropolis, to Chengtu, the political capital, at a distance of about 250 miles. Another achievement of importance during the past year is that Hangchow, capital of Chekiang province, has been connected with Shanghai by motor road and also has a motor highway linking it with Nanking. Instances of the highway construction program progress are many, but the above may suffice to illustrate.

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68 According to Dr. H. D. Fong, in his book on *China's Industrialization*, p. 43, "foreign investments in China have been classified into three categories, namely, foreign loans to the government, business investments and philanthropic investments."

69 Fong: *China's Industrialization*, p. 43.

70 Arnold: *China Through The American Window*, p. 27.

71 Kann: *China in 1932*, p. 25.

72 Namely: Kiangsu, Liaoning, Hopei, Kwangtung, Shantung and Hupeh.

73 Fong: *China's Industrialization*, p. 44.

74 Arnold: *China Through The American Window*, p. 21.

75 Fong: *China's Industrialization*, p. 12.

76 *Ibid*, p. 13.

77 Sun Fo: "National Scheme of Railway Construction," in the *China Year Book*, 1930, p. 362.

78 Arnold: *China Through The American Window*, p. 25.

79 "Despite financial difficulties during recent years, a semi-official announcement states that the Government was able to complete 346 kilometres of railways between 1929 and 1932, while 410 kilometres are at present under construction."—*Finance and Commerce*, Vol. 21, No. 14, p. 401.

80 Read *Finance and Commerce*, Vol. 21, No. 6, pp. 150 and 166; No. 8, p. 219; No. 12, p. 342; No. 14, p. 404.

81 *Ibid*, Vol. 21, No. 5, p. 119.

It will be shown that new projects with the self-same purpose continue to receive attention of the National as well as the Provincial Governments, the most important of which may be mentioned the plan to link up and maintain 22,000 kilometers of highways in the seven provinces of central China. May we say that the prospects for a co-ordinated highway system in China are more favorable than at any time during the recent few years?[82]

However, in so far as water traffic is concerned, China presents a lamentable scene. In most countries, inland navigation is reserved to the natives of the country. In China, however, the inland waterways are open to foreign navigation. Either the inland navigation is still in a primitive stage, or else shipping between treaty ports and inland ports is largely under foreign control. Except for the China Merchants' Steam Navigation Co., which recently became state-owned, and a few private enterprises of importance, China's river transport is practically almost all under the control of the foreigners, particularly Great Britain and Japan. China has a tremendous long coast-line; but how many steamships under native interest are at present carrying cargoes to and from the various coast ports? Not to mention the oceanic shipping—which is simply a shame on the part of the nation.

Poor service and high freight are two of the main complaints of Chinese steamship service. The causes attributable to its retardation in reform and progress are many; whereas lack of proper organization and management, shortage in capital, corruption and abuses are perhaps the chief ones. Last, but not least, is the destructive factor of political unrest in the form of incessant civil strifes, which I shall dwell upon again somewhere in the following paragraphs.

We are cognizant of the principle that the future development of China's industries will largely depend on the increase of transport facilities, if not anything else. Inasmuch as transportation itself represents an essential industry, its development will therefore assume, a dual role, being both the cause and the effect of China's industrialization in the future. While additional construction plans are desirable, the writer wishes to suggest that improvements in the present state of operations and service are just as necessary. Above anything else, the freight rate must be readjusted to facilitate trade. That the railway freight in China is high is a recognized fact. How far the home industry and trade have suffered from this high rate is a problem beyond our imagination and estimation. I wish, however, to cite just one instance to illustrate my point,—i.e., the sad experience encountered by the native coal industry during the past year. It was found that the Japanese coal in Tsingtao was selling at $8.00 per ton, while coal from Po-shan mines, which are some 320 kilometres from Tsingtao, was selling at a higher price in order to cover cost, owing to the high freight it had to pay on the Kiaochow-Tsinan Railway.[83]

Would China's industries be benefitted by the system of commodity rates that has been so prevalent in the American railways?

8. National Stability and Government Support

It is no exaggeration to say that Chinese industries would have progressed in more directions and ways had the domestic political environment been favorable. In fact, the political environment has never been favorable to industrialization since the establishment of the Republic in 1912. "The recurrence of chronic civil war, and the increasing burden of taxation that it entails, hinder considerably the economic development of the nation, despite the impetus given to the native industries by the stoppage of foreign supply and the absence of foreign competition during the World War."[84] In addition might be mentioned, first, the never-ending "red menace" and its just as never-ending campaigns for the suppression of the red bandits, or the self-styled communists, in and around Central China; second, the overwhelming disastrous Yangtze floods of 1931; third, the Japanese incursion of Mukden on September 18, 1931, and their ensuing successes which resulted in the complete dominance of the Three Eastern Provinces, or, more familiarly with the Westerners, Manchuria; and last, but by no means least, the appalling losses incident to the Japanese invasion of Chapei in Shanghai during the spring of 1932. Although accurate figures are lacking, the first estimate of losses sustained during the latter Sino-Japanese undeclared war in Shanghai exceeded one and one-half billion dollars in value.[85] Estimates on the material losses caused by the so-called "red menace," the colossal flood and the Japanese conquest of Manchuria are impossible to compute. All the above factors are, however, either directly or indirectly detrimental to the industrial progress in this country.

It is regrettable to say, however, that instead of giving assistance or support in any concrete form to the various native industries, the Government has not infrequently in the past hampered their progress or in some instances practi-

82 Read *Finance and Commerce*, Vol. 21, No. 5, p. 134; No. 7, p. 188; No. 8, p. 219.

83 "A Bird's-eye View of China's Present Economic Status," in *The Eastern Miscellany*, Vol. 30, No. 4, pp. 11-12. (In Chinese).

84 Fong: *China's Industrialization* p. 11.

85 Kann: *China in 1932*, p. 1.

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cally ruined them by virtue of civil wars, taxes, corruptions, and what not. Even during the course of recent years when the Government has repeatedly expressed its desire to encourage and to help the nation's industrial development, efforts which have denoted any material assistance are still meagre to notice. For example, an analysis of the budget of the National Government for the fiscal year of 1931-32[86] will reveal that, under the expenditure items, the appropriation for industrial administration, in the "ordinary" category, amounts to $5,336,380 as against a total of $868,919,492, or 0.6%, while in the "extraordinary" category, it amounts to $2,097,982 as against a total of $24,415,581, or 8.6%. All in all, the appropriation for industrial administration amounts altogether to $7,434,362 as against a grand total of $893,335,073, or 0.8%. Even if we take the funds allocated to industrial administration, communications and reconstruction together, the amount, both ordinary and extraordinary, is found to be $13,630,219, or 1.5% of the total sum. And this is the amount apportioned by the Government to the welfare of their industries.

In the words of Dr. Fong,[87] "according to a recent compilation by Mr. Chen Han-seng, of the Academia Sinica, the military expenditure increased more than five-fold from 1916 to 1928. Whereas in the former year the expenditure amounted only to 153 million dollars, in the latter year it increased to 800 million dollars. These expenditures for military purposes, whether national or provincial, are chiefly defrayed from the taxes upon the nation's agriculture, industry and trade, directly or indirectly. Likin or octroi, which was not abolished before the first of January, 1931, constitutes a rich source of revenue. Land tax is another source, of which the illegal levies are excessive, including a host of surtaxes under different names, as well as advance collections. Abuses, especially in the form of surtaxes,[88] have been practiced upon other taxes, such as the salt tax. The indirect taxation, including forced loans or sale of bonds, and inflation of paper notes or subsidiary coins, reaches at times a larger mass than the direct taxation." These imposts are nothing less than a form of extortion, and until they can be checked there is little prospect of business revival.

During the past year of 1932, the five big industries—namely tobacco, cotton yarn, flour, match and cement—paid in the form of consolidated tax a total amount of $79,156,000 to the National Government.[89] But what support or what protection did these industries receive from the latter, after all?

In respect of government support, we shall find not much financial assistance has been extended to the native industries by the Government, except in a few instances, of which the moral and material aid given by the government authorities to the silk industry last year is perhaps the most noteworthy one.[90] Unlike other countries, government support in the form of subsidies to the various industries is still an unpopular thing in China. We have heard much about industrial enterprises fallen under government control or supervision, but very little have we heard about the government extending assistance, financial or moral, to the home industries. The recent pathetic experience encountered by the Dah Hsung Cotton Mill of Shihkiarchwang in the province of Hopei, which shows the extent of the protection accorded to that undertaking in a time of need, lends but a brilliant testimony.[91] Similar instances with other mills or other industries are not unknown. If this is the quality of the protection upon which industrial enterprises have to rely from the Government it is little cause for wonder that investers stand aloof.

However, to do our Government justice, the protective nature of the new tariff schedule has been benefitting the native industries in no small measure ever since its enforcement. Until recently China has been restricted by the unequal treaties in not being able to fix her own tariff. Such tariff restrictions were harmful to her; not only did they cut short the sources of revenue, but they afforded, above all, no protection for the local industry. "Her import duty had always been fixed at five percent ad valorem until the restoration of tariff autonomy in 1926. The true beginning of tariff automony in China, however, must be dated from the first of January, 1931, when she put into effect the new import tariff schedule.[92] This schedule introduces for the first time the protective principle, raising the duty to the maximum of fifty percent ad valorem for those articles whose import may inflict serious competition upon home industries, but reducing the duty to the minimum of 6 percent for other articles whose import helps directly or indirectly Chin's industrialization."[93]

To conclude, it may be said that without government support in one way or another little hope will be attached to the industrial development of China. Whereas government support, either direct or otherwise, is urgently needed, I venture to suggest the following:

1. Peace and national solidity.

It is an undeniable truth that the first essence towards China's economic development is, above all, peace and national solidity. Political unfication is therefore of prime concern. Civil strife of whatever character must be stopped once and for all; since it is too familiarly known that civil wars not only have disrupted or ruined transportation, but have cut short, if not exhausted, the purchasing power of the people. The realization of national solidity and peace will be the foremost assistance, though in a sense indirect, which the Government can give to the native industries.

2. Strict measures in curbing corruptions and abuses among the government officials in order to facilitate the progress of trade and industry.

3. Development, under government control or supervision, of the heavy industries and transport facilities, especially railway and shipping.

4. Financial aid, in the form of subsidies, loans or other assistance, to the farms as well as the industries. In this connection, it may be of interest to note, for example, that the Italian government is giving assistance to the shipping industry in the form of subsidies amounting to more than 290 million lire annually.[94] Will the Chinese government be so sagacious as to follow suit?

5. Enforcement of liberal education among the masses, particularly the laboring class. The determination of an educational policy and the responsibility of educational administration should rest with the municipal educational authorities, but the expenses for education may be borne equally by the government and the industry.

6. Practical measures for the protection of the industry, concerning both capital and labor. Their enforcement is more vital than mere promulgation.

7. Sponsorship on the part of the Government of the "Buy native products" movement.

8. Enforcement of more effective means for unified control of tax administration such that any violation or illegal action may be severely dealt with.[95]

9. A more advanced effort be made towards the revision of the present tax and tariff schedules in order to consolidate more concretely the protective nature towards native industries. A schedule for anti-dumping tax should be inaugurated;[96] as we still remember that, for instance, the dumping policy of the Swedish match industry has almost entirely swept away the native match-making craft, whereas instances of the Japanese dumping policy at the expense of the native industries are too mumerous to cite.

(To be Continued)

86 *The China Year Book*, 1932, pp. 436-37.

87 Fong: *China's Industrialization*, pp. 11-12.

88 Read particularly "Levies on the Cotton Trade in the Provinces," in *Finance and Commerce*, Vol. 21, No. 4, p. 92, and "Provincial Surtax on Cotton Yarn," in the same periodical, Vol. 21, No. 5, p. 139.

89 Wu: "China's Financial Condition, Present and Future," in the *New China Magazine*, Vol. 1, No. 3, p. 4. (in Chinese) Contrasting this with the budget for 1931-32, this tax made good a surplus in revenue amounting to some $3,379,000, the estimated incoming being $75,777,228.

90 Kann: *China in 1932*, p. 26.

91 Read "Is There Any Protection for Industrial Enterprises In China?" in *Finance and Commerce*, Vol. 21, No. 7, pp. 182-83.

92 The *China Year Book*, 1932, pp. 484-85.

93 Fong: *China's Industrialization*, pp. 40-41.

94 "Italy Practically Controls Or Supervises All Industry," in *The China Press*, Shanghai, March 24, 1933, p. 10.

95 The Government seem to be exerting some effort towards this end. Read "Control Of Taxes" in *Finance and Commerce*, Vol. 21, No. 10, p. 286, and "Illegal Taxes in the Provinces" in the same weekly, Vol. 21, No. 13, p. 374.

96 The Government are now taking this into consideration. Read "Dumping Tax On Foreign Yarn" in *Finance and Commerce*, Vol. 21, No. 14, p. 404, and "Anti-Dumping Taxes" in the same periodical, Vol. 21, No. 15, p. 431.

Manchukuo's New Customs Tariff Is an Interim Measure

The department of finance of the government of Manchukuo announced July 28 that the revision of the Import and Export Customs Tariffs of Manchukuo, promulgated on July 22 and made effective on and after July 23, 1933, is an interim measure. The announcement explains that a partial revision has been effected "so as to modify such tariff rates now in force which are not in accord with the present state of affairs and which hinder the development of industries and the execution of the present national policies or hinder the work of collecting revenues."

According to a semi-official report circulated in Tokyo the way for joint Franco-Japanese investments in Manchukuo has been opened with the organization of a Franco-Japanese commission to investigate the possibilities of investments in the new state. The commission is sending representatives to Manchukuo.

The export of steel goods from Japan to Manchukuo is stated to be steadily increasing, following development

of works necessary for the foundation of the new country. The export from Japan of rails, materials for bridge building, and steel frames for the first half of this year reached 100,000 tons, showing an increase of 500% over the figures in the corresponding period of last year.

The Central Bank of Manchukuo has begun the issue of one-cent and half-cent copper coins. The new coins are of the same size as 10-cent and 5-cent nickel coins now in circulation.

An Ancient Capital Is Discovered

Accidentally discovered by military operations, the ancient capital of Muhaikuo, a country which 1,000 years ago embraced the greater part of Manchuria, has been discovered through the efforts of Assistant Professor Yoshito Harada of the archeological department of Tokyo Imperial University and his colleagues, according to the *Japan Advertiser* of July 16. The work was conducted under the protection of the Japanese army in Manchuria. Relics recovered by the expedition so far have been brought to Tokyo in 23 large cases and three telescope baskets. The excavation was conducted under the joint auspices of the Japan and Manchukuo Governments.

Surrender of S.M.R. Zone Contemplated

The *Osaka Manichi* July 18 stated that surrender of the South Manchuria Railway zone and the abolition of extrality in Manchukuo are now seriously being discussed by Japan and Manchukuo. Preparations for realization of this proposal are being made by officials concerned in both countries. As the organization of the South Manchuria Railway Company will have to be revised to effect the proposed change, it will be next spring before the surrender of the railway zone and the abolition of extraterritoriality will actually be carried out. Upon the abolition of extraterritoriality, a provisional court system to permit the participation of Japanese officials in legal procedures will be adopted pending the perfection of a new judicial system in Manchukuo.

Three Runaway Warships Commissioned at Canton

The captains and other officers of the three warships which deserted from the north-eastern squadron and steamed to Canton will receive new commissions from the South-west Political Council. The warships—the *Haichen, Haichi and Shaoho*—are to be placed under the control of the 1st Group Army, the military machine of General Chen Chi-tang, virtual dictator of Kwangtung. Rear-Admiral Chiang Si-yuan, who led the mutiny of the three vessels, has formally been appointed commandant of the squadron. It is reported that a sum of $100,000 a month will have to be allotted for their maintenance.

The three vessels, *Haichi, Haisen* and *Chacho*, will form a special fleet, to be called the Kwangtung Coastal Defence Squadron, and will be placed under the direct control of the Headquarters of the Kwangtung Provincial Forces, ranking equally with the Kwangtung Naval Squadron.

It is announced from Canton that the First Group army will have a River flotilla under the command of Rear-Admiral Chang Chi-ying, and a high sea fleet under the command of Rear-Admiral Chiang Si-yuan, who has established headquarters aboard the flagship *Haichi*. Admiral Chiang assumed command August 1.

Three other run-away warships of the North-eastern Squadron arrived near Hongkong latter part of last week. They have appealed by wireless to Canton for a supply of coal. It is believed that these ships will also be incorporated into the newly formed Kwangtung Coastal Defence Squadron, which was formed from the first batch of run-away warships from the North.

A Chinese message received in Nanking July 31 from Tsinan quotes a delegate representing Admiral Shen Hung-lieh as stating that the Admiral still insists on resigning the mayoralty of Tsingtao, and also that at present the Mayor is not attending office.

The new Chinese gunboats ordered by the Ministry of the Navy are now under construction at the Kiangnan Dockyard and are expected to be completed by the end of September. Another Chinese cruiser now being constructed by the same Dockyard is the *Ping Hai*, a sister ship of the newly constructed cruiser *Ning Hai*. The new cruiser will be of the 3,000-ton type and equipped with the same armament as the *Ning Hai*. This cruiser and the two gunboats will be launched October 10.

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Alleged Ezra Accomplice Sentenced in Chinese Court

Nyi Tse-liang, alleged accomplice in the Ezra narcotic case, known locally as the "morphine king," was sentenced by Judge K. S. Wang in the Second District Court in Shanghai July 29 to two years imprisonment and fined $4,000 for manufacturing opium substitutes. Nyi is, however, being released on original shop bail during the period of appeal.

Federal agents at San Francisco, July 18, announced in connection with the arrest at Osaka of Kawahara Katsu, a wealthy Japanese, that it has uncovered an international narcotic ring operating from Japan through Los Angeles. The case is said to be the first recorded in which Japanese have engaged in illicit drug traffic with the United States, and the first instance in which the Japanese authorities, acting under the narcotic treaties, have taken criminal action against one of their nationals at the request of the United States.

Japan Will Ratify Narcotic Agreement

A special commission of the Japanese Privy Council decided July 19 that the agreement providing for limitation of manufacture and control of distribution of narcotics, which has been adopted by the League of Nations, should be ratified with reservation of the right to participate in the central organization of the League for the enforcement of the agreement.

Airplanes to Be Used in Egypt Against Narcotic Smugglers

A determined attempt by the Egyptian Government to stamp out the drug traffic is believed to be imminent, following an announcement by the Government that it has ordered 10 Avroe planes, equipped with machine-guns, from the Avroe airplane manufacturers of Manchester to assist the Egyptian air force. The machines will carry a pilot and a navigator as well as a wireless set. The latter will enable the pilot to keep in close touch with the airdrome when a smuggler's caravan is sighted.

British Move Fleet in North China Waters

Admiral Sir Frederick Dreyer sailed out of Weihaiwei July 28 on the British flagship *Kent*. He remained at Chefoo until July 31 and then proceeded to Chinwangtao. She is due to return to Weihaiwei on August 12. The *Cornwall* came to Woosung and then proceeded to Hankow to relieve the *Cumberland*. The submarine depot-ship *Medway* and seven submarines remained in Chefoo until August 2. The sloop *Falmouth*, with the British Minister Sir Miles Lampson, and party on board, remained at Chefoo over the week-end and then proceeded to Peitaiho to disembark Sir Miles and party, after which she rejoined the *Kent*.

General Shake-up in Japanese Diplomatic Personnel

The Cabinet Council in Tokyo August 1 made the following changes in the diplomatic service:—Seizo Tani, Chief of the Bureau of Asiatic Affairs of the Foreign Office, has been transferred to the Japanese Embassy in Changchun as Councillor. Shukei Kuwajima, Consul General in Tientsin, has been promoted to Chief of the Bureau of Asiatic Affairs in succession to Mr. Tani. Tadashi Kurihara, first secretary of the Embassy, has been promoted to Consul General in Tientsin. *Rengo* notes that these changes were specially noteworthy in that Japan's future policy towards the North China situation will largely rest on their shoulders.

Real Estate Review of the Northern District by Realty Investment Company

Trading conditions in this area have remained quiet during the past month, and there has not been much building activity. The area in which buyers show most apparent interest is that beyond the Western boundary, where the Asia Realty Co. are reported to have sold various residential lots for $490,000.00 There has been some enquiry about land towards Kiangwan, probably owing to the low prices being asked in this direction. In fact, prices along the Kiangwan and adjoining roads are very reasonable, and considerably lower than those being asked inside the railway in the Western area. The Kiangwan district is no further from the business center than the far Western area, and the much improved roads into Shanghai should increase its chance of becoming a residential district.

The City Government of Greater Shanghai will shortly be c olle t ing a 6% land tax in said area.

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The National City Bank of New York, Rates of Exchange

Shanghai, August 2, 1933.

Demand selling rate on America:	U.S. $100=Sh. $358.74
Demand buying rate on America:	U.S.$100=Sh. $354.77
Demand selling rate on London:	£1.0.0=Sh. $16.000
Demand buying rate on London:	£1.0.0=Sh. $15.738

Latest New York Stock Exchange Quotations

Market—Firm Business Done 1,780,000 Shares

August 2, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Jul. 31	Tue. Aug. 1
18¼	1⅝	—	Adams Express	8⅝	8⅞
30¼	7⅜	.60	Alaska Juneau	22⅞	23⅜
133⅝	42½	*6.00	Allied Chemical & Dye	115	116½
95½	29⅝	4.00	American Can	82¾	84½
19⅝	2	—	American & Foreign Power	11	12
41½	5	—	American & Foreign Power 7% Pfd.	24⅛	23½
18	1¼	—	American & Foreign Power Warr.	7¼	8
23⅝	1¼	—	American Metal Co.	15⅜	16⅞
42¼	5¼	—	American Smelting	31⅞	33¼
137¾	70¼	9.00	American Telephone & Telegraph	121	122⅞
93¼	44	5.00	American Tobacco "B"	83¾	84½
40⅝	11	1.00	American Waterworks	26⅝	29½
22¼	3	—	Anaconda Copper	16¼	16⅜
18½	4⅛	—	Atlas Corporation	13½	13½
151¾	28¾	2.00	Auburn Automobiles	52⅞	54¾
37	38⅜	—	Baltimore & Ohio	26	28
48⅝	7¼	—	Bethlehem Steel	36¾	38
36⅞	18	1.60	Borden Company	30⅞	Mutl.
21¼	3⅜	—	Borg Warner	13⅜	15½
20⅝	7¼	—	Canadian Pacific Railway	15¾	16¼
99½	16¾	—	Case, J. I.	61¼	68¼
47⅞	19	1.40	Chase National Bank	27⅜	28½
50¾	4⅞	2.00	Chesapeake Corp.	39	41
38½	5	—	Chrysler	30¾	38
26⅞	4¼	.80	Columbia Gas & Electric	19¼	20¼
7⅝	1⅜	—	Commonwealth & Southern	3½	3¾
68¾	31½	3.40	Consolidated Gas of N. Y.	51⅝	53⅜
19	3⅝	—	Continental Oil	13⅞	13⅞
84¼	24¾	3.00	Corn Products	76½	79¼
7½	1½	—	Coty Inc.	5	4⅞
4¼	⅞	—	Curtiss Wright Company	3	3⅛
18⅝	5	.75	Douglas Aircraft	12½	13½
61½	28	3.00	Drug Incorporated	47½	4[illegible]
88⅝	22	2.00	Du Pont de Nemours	67½	69½
87⅞	35¼	3.00	Eastman Kodak	76	77
48	5	6%S	Electric Bond & Share	28⅞	25
16	2¾	—	Electric Power & Light	8¾	9
5⅞	⅞	—	Fox Film "A"	2⅞	2¾
10½	2⅞	—	General Aviation	7½	Unq.
30	8½	.40	General Electric	22½	23¼
40⅛	19⅝	1.60	General Foods	35	35¼
33⅞	7⅜	1.00	General Motors	28⅜	29¼
49½	6½	1.00	General Railway Signal	35¼	35⅛
26⅞	8¼	1.20	Gold Dust	20⅜	22[illegible]
45⅝	5¼	—	Goodyear Tire & Rubber	35½	36¾
39⅝	3⅝	—	International Cement	28¼	29½
45¼	10⅝	.60	International Harvester	31⅝	34⅞
21⅝	8¼	—	International Nickel	17½	18⅛
21	2⅝	—	International Telephone & Telegraph	14⅛	15
59	10	—	Johns Manville	42	43
25⅝	4⅞	—	Kennecott	18¾	19⅜
78½	30½	2.40	Lehman Corporation	63⅜	65¼
96¼	34⅛	*4.00	Liggett & Myers, "B"	88⅜	89⅜
37⅝	9	1.00	Loew's: Inc.	22	24⅝
24⅝	9	1.20	Lorillard P. Co. (Com.)	20½	21⅛
37	12	1.00	McIntyre Porcupine	31¾	31½
28½	8¼	—	Montgomery Ward	20¼	21¾
84⅛	19¾	1.00	National City Bank (bid price)	30½	32¼
117	13	—	National Distillers	75½	80
57¼	8⅜	—	New York Central	40⅜	42⅝
43¼	13¾	8%S	North American Company	24⅞	26
93½	12	2.00	Owens Illinois Glass	76	78¼
37	16⅞	2.00	Pacific Gas & Electric	26⅛	27
6⅞	1¼	—	Packard Motors	5	5
40¾	6¼	.50	Pennsylvania Railroad	33¼	34½
6	1	—	Pennroad Corporation	4¼	4⅜
17½	2	—	Phillips Petroleum	12⅝	13½
18½	2⅛	—	Radio Corporation	7¾	8⅛
7⅜	1	—	Radio-Keith Orpheum	3¼	3⅜
50¼	26½	8.00	Reynolds Tobacco "B"	46¾	48
45⅞	9⅞	—	Sears Roebuck	32⅞	35
11¼	2½	—	Shell Union	7½	8¼
15⅛	5¼	—	Socony-Vacuum Corp.	11⅝	11⅜
32⅜	15¾	2.00	Southern California Edison	22¾	22½
84½	5¼	—	Standard Gas & Electric	13½	13⅜
40⅜	19⅞	1.00	Standard Oil Co., of N. Jersey	34½	34⅝
28¼	9¼	1.00	Texas Corporation	21	22
34¼	12	1.00	Texas Gulf Sulphur	26¾	26
8⅞	2¼	—	Trans America	6⅞	7⅛
50¼	15½	1.00	Union Carbide & Carbon	40½	41
131¾	27⅝	6.00	Union Pacific	110	112
44⅞	6½	—	United Aircraft & Trans.	30¾	32⅛
14¼	3½	—	United Corporation	9⅜	9⅞
24	9¼	1.20	United Gas Improvement	20	20⅛
28⅝	1¼	—	U. S. Rubber	18	18⅜
66¾	21¼	—	U. S. Steel	52	52½
50⅞	11	2.00	Universal Leaf Tobacco	41	40⅛
33¾	5¼	—	Vanadium	22½	23⅝
8¼	1⅛	—	Warner Bros. Pictures	5⅜	6¼
57⅝	15⅝	—	Westinghouse E. & M.	39⅛	40¾
50	22	2.40	Woolworth	43	43⅞

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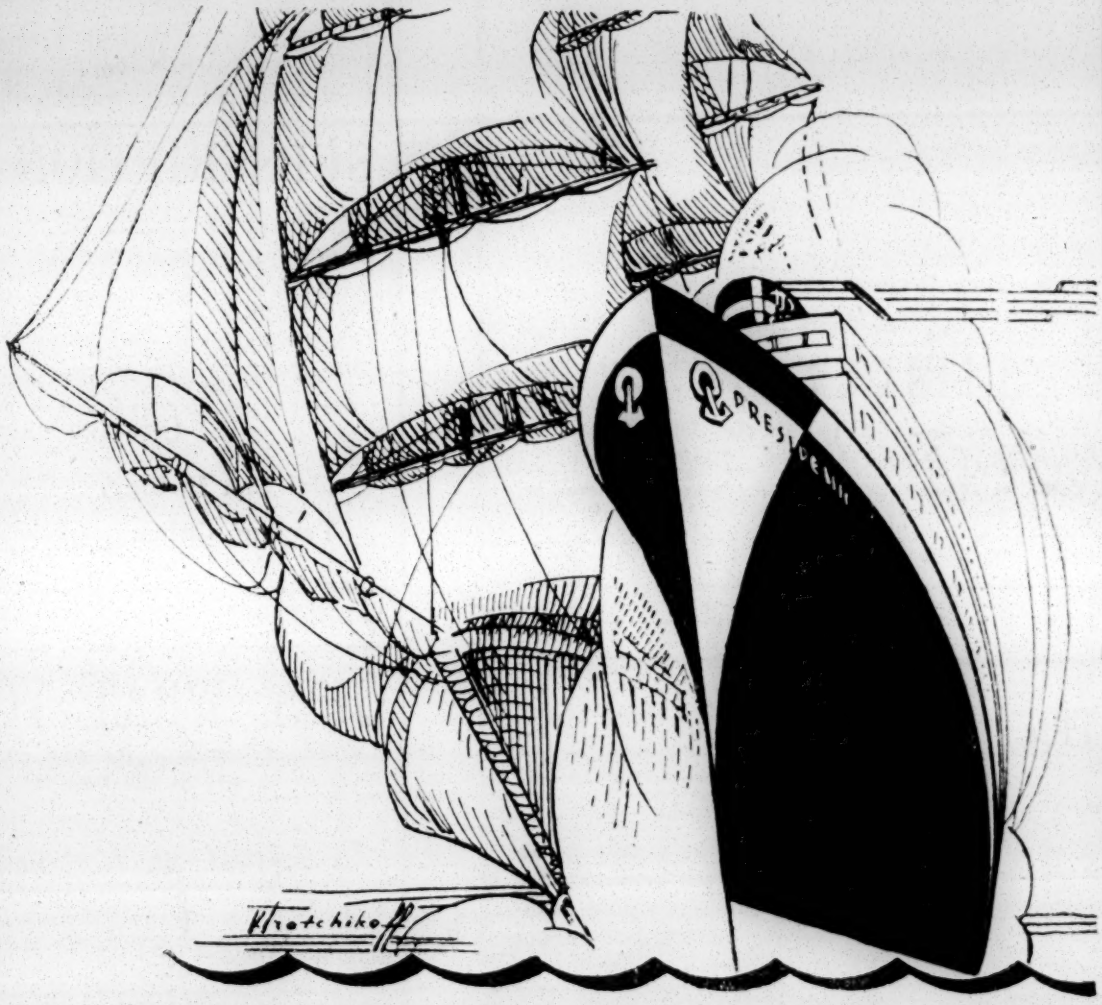

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